

ADDRESS BY HIS EXCELLENCY, GOVERNOR YAHAYA BELLO OF KOGI STATE REPRESENTED BY THE DEPUTY GOVERNOR OF THE STATE, HIS EXCELLENCY, CHIEF EDWARD ONOJA AT THE PRESENTATION OF THE 2020 BUDGET PROPOSAL TO THE KOGI STATE HOUSE OF ASSEMBLY ON 4TH DECEMBER, 2019.

PROTOCOLS:

1. Mr. Speaker and Honourable members, let me start by expressing my most sincere gratitude to the Almighty for the opportunity to stand before this honourable House once again to present our expenditure estimates for another year, in this case, the year 2020 budget proposal.

2. Indeed, I make this presentation with greater delight because of the privilege given me by the good people of Kogi State to serve as their Governor for another four years.

3. The evidence is overwhelming that across Kogi East, Kogi Central and Kogi West, our people worked hand in hand to re-elect the APC on November 16, 2019. This is why in accepting this victory for our party, I make haste to declare that we are all winners, to the Glory of God Almighty.

4. We Kogites have proved to the world that DIVERSITY IS A STRENGTH WHICH CAN ADD COLOUR TO UNITY. We proved that our differences, which was mercilessly exploited to divide us in the past can be turned into assets which make us stronger. As an Administration, we have long taken note of the yearning of our people for Unity, Peace and Progress in Kogi State, and just like we endeavoured to do throughout our First Term, we are making policies and designing programmes which will guarantee delivery of those values to the people. This budget, as Honourable Members will discover, will be instrumental to stimulating such outcomes.

5. Mr. Speaker, I thank the members of this Honourable House for their contributions to our electoral victory last month. Your individual and collective efforts are appreciated. I also felicitate with Honourable Members on your successes at the Election Petitions Tribunal and the Court of Appeal. Kogites voted the APC 25/25 in this Honourable House and it is indeed gratifying that the Judiciary has confirmed that we won every seat fair and square. A clear message has been sent to those who sought to overturn your mandates that the people are with us.

6. I see nothing but greatness ahead of everyone who will play fair with the electorate and the party. Therefore, I seize this opportunity to urge honourable members to remain loyal to our People and to our Party in the discharge of the duties of your office and in personal conduct throughout your current legislative tenure.

7. We value the atmosphere of cooperation and mutual respect between the Legislature and the Executive in Kogi State because it is driven by a shared commitment to serve our people to the best of our abilities.

The Draft 2020 Budget which we place before you today is another opportunity to work together to achieve what is best for Kogi State. I thank Mr. speaker and Honourable Members in anticipation of your usual thorough and prompt actions in this regard.

8. Mr. Speaker will recall that in 2016 the Federal Government of Nigeria in collaboration with the States introduced the Economic Recovery and Growth Plan (ERGP) to offset the negative impact of excessive reliance on crude oil revenues on the national economy.

9. Government has continued to pursue an aggressive programme of diversification founded on the twin pillars of stimulating domestic enterprise and protecting them from illegal or unfair cross-border trade. Recent results indicate that the Nigerian economy is now witnessing steady, if slow, GDP growth along with several other signs of sustainable economic growth.

10. Although there are concerns over some developments on the international scene and their potential to slow down or even erode the gains we have seen so far, government remains relentless in pursuing our strategic economic objectives to a productive end.

11. As a component of the Nigerian State, Kogi State will continue to track these developments in order to mitigate or even eliminate their potential for adverse effects on us. In particular, we will increase efforts on our ongoing transformation of Agriculture as the mainstay of our economy. At the same time, we intend to play more active roles in the Solid Minerals sector which is another area of comparative advantage for us. Recent moves by the Federal Government of Nigeria to revive Ajaokuta Steel Complex and iron ore mining at Itakpe really corresponds well with our own plans for them as the core of our economic diversification policy.

12. In preparation for expected changes in the Industrial and economic composition of Kogi State over the next half a decade, we are putting in place a medium term infrastructure and human capital development strategy, as reflected in this budget. Our expectation is that Kogi State will be able to provide the bulk of support businesses and manpower requirement for the anticipated renaissance in mines and steel within the state.

13. This strategy is coterminous with our goal of implementing policies and programmes that will strengthen production value chains, along with strong sectoral linkages that work to provide economic and wealth opportunities for our people.

14. Mr. Speaker, Honourable Members, before I delve into the details of the year 2020 budget proposal, let me crave your indulgence to mention briefly some of the significant gains our administration recorded in the outgoing fiscal year. In doing this I will first present the highlights before dwelling on the specifics.

15. HIGHLIGHTS OF YEAR 2019 BUDGET PERFORMANCE.

a. The total Budget package for year 2019 is N158,172,060,971 for both Recurrent and Capital Expenditures. The recurrent revenue approved for year 2019 was N104,341,267,675 out of which N57,695,057,614 was collected as at the end of September, 2019 representing 55.29% performance. The approved capital receipts for 2019 was N53,830,793,296 out of which N36,928,603,556 was realized representing 68.60% performance as at the end of September, 2019.

b. A total sum of N86,135,784,002 was approved for recurrent expenditure in the year 2019. However, only N54,886,901,011 was spent as at 30th September, 2019 representing 63.72% performance.

c. The approved capital expenditure for 2019 was N72,036,276,969 out of which the sum of N22,246,567,590 was expended representing 30.88% performance as at the end September, 2018. This lean performance is as a result of the current economic situation in the country which limited our expected inflows from various sources.

16. The objectives of our civil service reform have been largely achieved. Some issues addressed by the exercise include the notorious staff replacement regime, huge number of non-civil servants on payroll,

civil servants with fake certificates, stealing of public funds through deliberate over payments or multiple payments of salary to some civil servants etc.

17. These anomalies were choking life out of the state and worsening an already parlous socioeconomic situation. As this House is well aware, the staff screening and verification exercise faced vicious resistance from all sorts of vested interests which hitherto benefitted from the gross distortions we inherited but, we were able to soldier on and conclude.

18. The gains we recorded as a result of these reforms are verifiable. Today, we have achieved biometric registration of the entire Workforce and digitisation of the Payroll. Moreover, we have settled arrears owed workers while paying salaries and pensions promptly for nearly half a year now. More importantly, we have put in place modalities to ensure that prompt payment of remuneration is sustained going forward.

19. We engaged about 150 persons with relevant administrative and ICT skills to ensure that the workforce and payroll platforms we have set up remain up-to-date, online and in real time where necessary. This is to sustain our public service reforms in the public service and responsive to the real time demands of an Infotech world.

20. Mr. Speaker, we have also made significant progress in our Public Financial Management Reforms. The budgeting process is now more inclusive than ever. In 2018 and 2019, we had town hall meetings with the stakeholders on Budget, with the primary intention of ensuring that the budget process is transparent and participatory. Part of our key achievements include the preparation of the Citizens Budget, which has been translated into the three major local languages of Igala, Epira and Yoruba. Our Budget Call Circulars and key budget documents have also been published on the state official website. Determined to improve accountability, we have since commenced the operation of a Treasury Single Account (TSA) which has streamlined the hitherto multiple bank accounts maintained by MDAs in the past. The backlogs of unaudited financial statements have been cleared, as the audited Financial Statement for 2018 was published in September, 2019. The State has also transitioned from cash-basis budgeting and financial accounting/reporting to partial accrual basis. Based on this, the state assets and liabilities can now be reasonably accounted for.

21. Mr. Speaker and Honourable Members, in the area of information, we improved access to information and the quality of information disseminated to the public in the State. The state's websites and several others managed by different Ministries, Departments and Agencies are available 24/7. We have provided state of the art equipment for radio broadcasting, both in Lokoja and at the booster stations across the state. This has also improved linkages between our local stations and the Federal Radio Corporation of Nigeria. Outside broadcast vans were also bought for greater access to information at the grassroots. A modern office accommodation has been built for The Graphic Newspaper and over 100 staff recruited to improve her capacity.

22. As a Government, we recognize the significant roles traditional rulers play in maintaining peace, growth and development in their domains. Consequently, we upgraded scores of Traditional Rulers and appointed 129 others who were presented with Staff of Office.

23. On youths and sports, the Kogi State Government has continued to ensure that our sportsmen and women participate in as many competitive events as possible. We won laurels at the National Sports

Festival which held at Abuja earlier in the year. We were also at the National Youth Games at Ilorin and the National Under-18 Handball Championship in Lagos. We also coordinated and supervised youth programmes such as National Youth Day Celebrations, Youth Holiday Camps and National Youth Council of Nigeria. The State participated in many national sporting events and won various categories of laurels for the state. We paid bursaries to Kogi State Students reflecting a 300% increase earlier adopted and we released subventions to our institutions, youth and other organisations as appropriate.

24. Our youths have been engaged through the Youth Employment and Social Operation (YESSO) under the Public Workforce Implement Unit. About 4,404 beneficiaries were placed on N7,500 per month in the pilot LGAs of Ajaokuta, Ibaji, Dekina, Okehi, Lokoja and Yagba West while another batch of 1,316 beneficiaries from Okene, Olamaboro and Yagba East have been added while the counterpart funds necessary to secure their participation have been paid.

25. We are also renovating the administrative block for the National Youth Service Corps at Asaya while two new hostel blocks and the perimeter fencing are under construction to improve security of the NYSC camp. We are also constructing an Olympic size swimming pool at Confluence Stadium, Lokoja.

26. This administration has remained sensitive to the challenges confronting Persons Living With Disabilities (PLWDs) among us. The Disability Rights Bill has been signed into law with special features on the care for abandoned babies, grants to orphanages, Ministry of Mercy Orphanage and rehabilitation of all categories of disabled persons including the mentally disturbed.

27. On rural development, we have intensified electrification through the ongoing step down of 500kva/0.415 transformers in some communities including Anyigba, Ife Olukotun and Odu. We have commenced preliminary stages of the Project Light Up Kogi East (PLUKE). On completion, it will connect at least 200 communities in the Kogi East axis to the national grid.

28. My administration is also committed to sustainable economic development. That is why we have intensified public sensitization, stakeholders' engagement, and community participation in environmental issues; construction and handover of public toilets to communities at Adumu-Ogugu; erosion control works and construction of drainages and canals in collaboration with NEWMAP such as the one at Sarikin Noma for flood prevention and control; on-the-spot assessment of 2019 flood affected persons, communities and farmlands in conjunction with NEMA, SEMA and NGOs; and collation of data on flood events; distilling and reconstruction of drainages in and around Lokoja metropolis to mitigate flooding; regular clearing of the environment within the state capital; raising of 27,500 seedlings at Okura Nursery, Dekina LGA; establishment of a 25-hectare plantation in each of the three senatorial districts in the state; massive urban tree planting campaign in the State; Maintenance of existing 15Ha Olle Plantation (Kabba LGA) and 30Ha Ofejiji Plantation (Dekina LGA); Commencement of civil work for Gully Erosion control at Agasa, Okene LGA and Adumu Road Ogugu, Olamaboro LGA with payment of compensation to displaced persons, in collaboration with NEWMAP; award of contract under NEWMAP for Engineering designs for several Gully Erosion sites, including Ugwolawo in Ofu LGA; Omigbo River Channelization in Kabba-Bunu LGA; Ogane-aji in Dekina LGA; Ankpa Gully Erosion site in Ankpa LGA; Etahi in Okene LGA; Ozuri in Adavi LGA; Greater Lokoja Water Scheme Erosion site; Afor Gam-Gam site Ankpa LGA; and the permanent site of the Federal University, Lokoja in Felele.

29. It is pertinent to inform this Honourable House at this point that in 2019 the World Bank Group rated Kogi State first in World Bank Portfolio Performance. This means that overall we outstripped our peers in

the Bank's multidimensional intervention areas. We shall of course strive to do even more in the coming year.

30. Mr. Speaker and Honourable Members, there is no doubt that we have comparative advantage in the agricultural sector which employs over 80% of our people. We have made tremendous progress in the sector. The Rice Mill we built at Ejiba has 50 tons production capacity per day. It is supported by an 800 hectare rice farm and both are currently functional.

31. We developed a Green House at Osara for year round vegetable production, but also as a pilot for training interested citizens who will be gainfully employed while contributing to our food security targets. We have engaged consultants to manage our fleet of 30 tractors for lease to rural farmers at subsidized rates. We helped to secure a loan from the Central Bank of Nigeria for an accelerated Cassava and Aquaculture Production Scheme for youths aged 18-35. We also paid counterpart funds for sundry World Bank agriculture projects in the state which equip thousands of our farmers with improved knowledge, extension services and inputs. We have signed a Memorandum of Understanding with an investor to revitalize Alloma Oil Palm Project among several Private Public Partnerships aimed at enhancing our productivity in the sector.

32. In education, we have laboured hard to meet requirements for full accreditation of courses and institutions which need them. slated for accreditation were fully granted accreditation in the period under review. Nigeria-Korea Friendship Institute of Vocational and Advanced Technology was also granted take-off accreditation by the National Board for Technical Education (NBTE), while Completion of Debt Management Office (DMO) has been achieved.

33. Our reforms of the State tax authority is yielding the desired result, as increase in IGR which started right from the inception of this Administration continued in the year under review. As at the 3rd quarter of 2018, IGR was N7.9 Billion while as at the same time in 2019, the IGR stood at N12.5 Billion, representing about 60% increase. Our secret for this growth has remained the same, ie, elimination of theft and waste, improved collection and greater accountability.

34. The state has secured accreditation in Medical Laboratory at College of Health Sciences and Technology, Idah. We also achieved full accreditation in Community Health Programme, Health Information Management Programme and Medical Laboratory Programme. We constructed a standard administrative office complex, provided an ultra-modern College Clinic and renovated laboratories for core sciences including Chemistry, Physics and Biology in the school.

35. Another area in which we made critical progress in the health sector is medical intervention. In the year under review government carried out comprehensive screening on the citizens against typhoid fever. We also provided special intervention program under the Saving One Million Lives (SOML) of Federal Government. We distributed medical consumables to Primary Health Care Centres across the State such as Long Lasting Insecticidal Treated Nets, HIV Test Kits, Rapid Diagnostic Test (RDT) for Malaria, Maternal Newborn & Child Health Week Drugs. We have also renovated 3 Primary Health Centres, one per senatorial district in the state. 2,424 health professionals were recruited to fill the gaps in the health sector.

36. No wonder Kogi State was recently rated as a leader in reduction of under-five mortality in a study jointly conducted by the United States Agency for International Development (USAID), the Federal

Ministry of Health and the National Population Commission (NPC). This rating is perhaps the most gratifying to me because it speaks to the hundreds, perhaps thousands, of neonates, infants and children under five years of age who have been rescued from untimely deaths. To God alone be the Glory.

37. In order to ensure that there is proper coordination and sustainability for our healthcare sector reforms, we have established the Kogi State Health Care Development Agency (KSHDA) to oversee our work in progress towards achieving universal healthcare coverage for all Kogites.

38. Mr. Speaker, as we all know, a good road network is a necessary artery for transporting the commerce and industry which is the lifeblood of socio-economic development. Therefore, in addition to the many road projects we have undertaken in this administration, in 2019 we rehabilitated and repaired Iduma-Ohere-Makaju road with a spur to Senator King's House Road; Kogi State Junction Upper Area Court-Ebogogo- Okene road; provision of access road to Naval Quarters, Banda, Lokoja; emergency repairs of failed sections along Zone 8 Road (Zone 8 Round About to Stadium section of the dual carriage way); rehabilitation of NHIS, Kogi State office road, (NIWA Quarters); emergency repair of failed section of Ganaja dual carriage way; Ganaja Junction to Ganaja Village (Left Hand side, LHS) Phase 1; emergency repair of failed section on Murtala Mohammed Dual carriage way (Paparanda to NATACO Junction); construction of 2 in 1 (2.5 x 2.5)m R.C. Box culvert across Taiwo Road by SUBEB Office (ongoing).

39. We are engaged in serious urban renewal of the Lokoja capital city territory. The ongoing construction of Ultra Modern Civic Centre, Lokoja; implementation of a Multifunctional Cadastre and Base Map for Kogi State including Land Administration, Mining Database management and other economic uses; Automation of Deeds Registry thereby improving the ease of doing business, implementation of Continuous Operating Reference Station, Precision Agriculture and Infrastructure Development; implementation of Enterprise document Management System, protecting critical business documents and improving quality of service delivery, promoting transparency, issuance of secure and globally acceptable Certificates of Occupancy, Harmonizing of over 3 (three) different types of Certificate of Occupancy issued previously which reduced trust and hindered real estate development, Establishment of Second Order controls, improving Local Surveys with a global approach thus reducing Land disputes and mistrust.

2020 BUDGET OF PROSPERITY

40. The 2020-2022 Multi-year Budget is based on conservative projections. Macro-economic indicators show an uptick in global growth at 3.5% and speedy recovery on the national front from recession, and a reduction in the inflation rate. As a State Government with no control over monetary policy, the state budget is our key fiscal policy tool to boost our economy from unforeseen negative shocks. The budget is also our most important mechanism towards achieving our State Development Plans and socio economic developments. It is therefore important for the state to have a realistic and implementable Budget going forward.

41. Mr. Speaker, Honorable Members, the 2020-2022 Multi-Year Budget is premised on Zero-Based Budgeting principles and is tailored towards actualization of our State Development Plan. The key targets from a fiscal perspective are:

a. Ensuring the actualization of the development priorities of the government as articulated in the State Development Plan and respective Sector Implementation Plans (SIPs).

b. Maintaining a favourable proportion of Capital to Recurrent Expenditure.

- c. To complete all on-going projects and adding new projects in the critical area of needs.
- d. Expanding our revenue generation capacity so as to reduce over dependence on federation allocation.
- e. Maintaining a sustainable debt position thereby reducing our State Domestic Debt profile.
- f. To provide a conducive environment for investors and Donor Agencies to operate in the State.
- g. To enhance greater transparency, accountability and proper public expenditure management.

BUDGET POLICY STATEMENT

42. The fiscal strategy of Government is anchored on the on-going Public Financial Management Reform (PFM). Over the period 2020-2022 the State Government fiscal policy is directed at:

- a. Improving the efficiency and effectiveness of spending.
- b. Greater control of the wage bill.
- c. Directing capital expenditure to critical infrastructure such as Road, Housing, Education, Health and such other thematic areas as Job creation, Youth Engagement, infrastructure and utilities and public sector and pension reforms.
- d. Boosting revenue receipts by identifying and blocking revenue leakages; and gradual fiscal consolidation in order to achieve a level of public spending consistent with macroeconomic stability and sustainable debt.

BUDGET OBJECTIVES AND TARGETS

43. Our lofty aspirations have found expression in the 2020 Budget. The specific fiscal objective is effective allocation of scarce resources to identified critical programmes and projects, with the following major targets:

- a. To improve the quality of education at all levels and make it accessible to citizens to produce articulate and skilled manpower necessary for economic transformation of the State.
- b. To improve access to healthcare leading to improvement in efficiency of the healthcare delivery system.
- c. To ensure food security and generate a high proportion of the GDP from agriculture.
- d. To exploit the full potential of our economy and expand trade and commerce in the State.
- e. To ensure that products from our agricultural and industrial activities have access to markets locally and internationally.
- f. To ensure gainful employment of youths and create opportunities for the development of their talents.
- g. To achieve sustainable development and promote social and economic development through culture and tourism.
- h. To establish the necessary framework for a robust mining and Solid minerals sector, to brand Kogi State as the foremost solid minerals mining destination.

i. To improve the road network in urban and rural areas through construction of new roads, bridges and rehabilitation of existing ones.

j. To improve the quantity, quality and access to safe water for domestic, commercial and industrial uses as well as improve sanitation and hygiene practices among the citizens.

k. To ensure sustainable use of the environment and continuous management of environmental challenges such as pollution, degradation and gully erosion.

l. To facilitate the social and economic development of the State by ensuring easy access to lands for agricultural, residential, commercial and industrial uses to all citizens and investors.

m. To improve the quantity of decent housing and facilitate the creation of viable urban communities in the state.

n. To improve and expand affordable housing options through public private partnerships.

o. To reduce average power outage through the generation and distribution of adequate electricity in the urban and rural areas in Kogi State.

p. To rejuvenate the transportation sector in all its layers and to facilitate mobility of goods and services.

44. In simple terms, Mr. Speaker, we will strive to complete every single project we have started in each of our 21 Local Government Areas, and to pay the contractors we have commissioned to work for us. We will continue to cut the cost of governance and ensure that our people are the ultimate beneficiaries of public resources.

SUMMARY OF THE 2020 DRAFT REVENUE AND EXPENDITURE ESTIMATES

45. In summary, the draft 2020 Revenue and Expenditure Estimates ie, the proposed 2020 Budget, has an estimated outlay of N176,123,091,931. This total budget outlay of N176,123,091,931 is divided into Recurrent Expenditure of N78,969,128,737 representing 44.84% and Capital Expenditure of N97,153,963,194 representing 55.16%.

46. The above summary is graphically represented in the table below:

Expenditure Item

Allocation

%

Recurrent Expenditure

N78,969,128,737

44.84%

Capital Expenditure

N97,153,963,194

55.16%

Total

N176,123,091,931

100%

47. The total Budget expenditure outlay is given in the following sectors:

Code

Sectors

Allocation

%

01

Administration

N57,234,799,399

32.50

02

Economic

N61,907,264,259

35.15

03

Law and Justice

N7,615,226,584

4.32

05

Social

N49,365,801,689

28.03

Total

N176,123,091,931

100

THE TOTAL BUDGET PACKAGE

48. The total Budget package for year 2020 is N176,123,091,931 as against N158,172,060,971 Revised Budget for year 2019. This represents an increase of N17,951,030,960 or 10.19% when compared with the 2019 Revised Budget.

49. Mr. Speaker Sir, Honourable Members, Distinguished Guests, Ladies and Gentlemen, I now present to you the year 2020 Draft Budget for your consideration and approval. The Honourable House is invited to note that:

50. We have budgeted a total estimated recurrent revenue of N92,932,509,241 consisting of N21,032,117,213 from internal sources, N50,428,800,000 as State's share from the Federation Account, N17,500,000,000 revenues from Value Added Tax (VAT), N120,000,000 from Excess crude, 100,000,000 from exchange difference, N130,893,199 as refund from Federal Government, N2,000,000,000 from Non-Oil Revenue, N1,500,000,000 from Forex Equalisation and N120,698,829 from Excess Bank charges.

51. Recurrent Revenue for the year 2020 stands at N92,932,509,241. Out of the above figure, the estimated personnel cost for the period is N32,512,241,598 whereas N46,456,887,139 is Overhead Costs, thereby giving N78,969,128,737 as a total recurrent expenditure for the year 2020.

52. From the foregoing, we have a total estimated Transfer Surplus of N13,963,380,504 as Capital Development Fund.

53. The estimated Capital Receipt is N83,190,582,690 comprising Capital receipts analysis by economic, Aids and Grants. However, if the Transfer Surplus of N13,963,380,504 is added to this amount, we shall have N97,153,963,194 as fund available for capital development projects.

54. Total estimated capital expenditure, therefore, stands at N97,153,963,194.

55. In summary, our total estimated revenue (i.e. recurrent revenue and capital receipts) stands at N176,123,091,931 for the year 2020, making total estimated expenditure (i.e Recurrent and Capital) stands at N176,123,091,931 for the year 2020 making our 2020 Budget a balanced budget.

56. Mr. Speaker Sir, Hon. Members, Distinguished Guests, Ladies and Gentlemen, it is now my pleasure to formally present to you the 2020 Draft Budget for your deliberation and approval.

57. I wish you all a very Merry Christmas and a peaceful, prosperous and fulfilling New Year.

58. God Bless Kogi State.

59. God Bless the Federal Republic of Nigeria.

60. I thank you all.