

BEING THE Y2014 BUDGET PRESENTATION OF HIS EXCELLENCY, THE GOVERNOR OF LAGOS STATE, MR. BABATUNDE RAJI FASHOLA (SAN), DELIVERED AT THE CHAMBERS OF THE LAGOS STATE HOUSE OF ASSEMBLY, ALAUSA ON WEDNESDAY, OCTOBER 30, 2013

Every time I have had the privilege to present a budget for our State, I have done so with a lot of pleasure and with a deep sense of responsibility for the expectations that the budget raises for our people that things will get better.

Year after year, we have met those expectations and things have got better.

That feeling of pleasure and the sense of responsibility is no less different today as I present our budget proposals for 2014.

As far as responsibility goes, it is incumbent upon me to report how far we have implemented the 2013 budget as proof, if one is needed, that budgets are important for us, and that we do our best to keep the promises that we make.

Many will re-call that we were the first Government at any level to begin the quarterly reporting of budget performances in this democratic dispensation and this year has not been an exception since we started the practice in 2007.

In the first quarter of this year, I reported a budget performance of 61%, while the second quarter performance was 83% and the recently reported third quarter performance was 70% giving us a cumulative aggregate performance of 71%

While we remain committed to improve upon the fourth quarter performance and ultimately the total year 2013 budget performance, it is instructive to reiterate some of the reasons why we have not exceeded the performances I have just reported.

Let me start by saying emphatically, that budget implementation in Lagos is no longer a matter of capacity. We have a highly resourceful and well-motivated workforce in the public service; budget implementation is constrained by the limitation of financial resources.

As our population continues to grow, the provisions that we require to support them and meet their expectations are also growing.

Regrettably, the financial resources are not growing at the rate of our people's expectations.

While I salute those who pay their taxes and whose contributions have helped to continuously develop our State by taking our destiny in our hands, I urge those who are yet to start paying to do so.

It is a commonwealth that gives everybody a chance to realize their aspirations. It requires a common contribution to make it sustainable.

While our tax contributions have helped to reduce our dependence on the Federal Government monthly FAAC remittance, to about 35% of our financial needs, that 35% is still critical.

The recent inefficiencies that States have experienced in the process of Federal Government agencies accounting for revenues and the consequent delays in remittances owing to disputes over accounts have affected all States in different degrees.

While salaries were delayed in other States, happily that did not happen here, but the effect was felt in a slight reduction of our third quarter budget performance.

This state of affairs, of delays in the discharge by Federal Government agencies of their responsibilities compels me to make a comment about the recent announcement by the Federal Government that a \$200m World Bank loan had been approved for Lagos to fund capital projects such as the Light Rail, Adiyin Water Works and so on.

While I thank them for finally giving the approval, it is instructive to contextualize the timing of the approval.

You might all re-call that in 2010 when I presented the year 2011 budget, I announced that we had negotiated a World Bank loan for \$600m to fund a three year medium term expenditure framework for years 2011, 2012 and 2013 which required Federal Government approval.

Although the approval for the loan was given then and the year 2011 first tranche for \$200m was released in that year, the year 2012 and 2013 tranches were frustrated by Federal Government agencies.

It is the year 2012 component and year 2013 component that is now being approved in the last quarter of 2013.

In truth and in fact, our State's development was held up and slowed down for 2 years.

Progress on the Rail was held back, supply of additional 70 million gallons from Adiyen Water Works was slowed down, progress on Lagos Badagry Expressway was slowed down.

Improvement in the quality of life of Lagosians was slowed down.

But we did not sit idly by and moan. We are the Centre of Excellence. Our tax payers' contributions were our inspiration. We went to the financial market to raise money, knowing that our State is solvent.

So the projects such as Lagos Rail, Adiyen Water Works have started and the Lagos-Badagry Road progresses, even though the approval is just coming.

But painfully we have had to borrow money at shorter tenures of 7 years and higher interest rates of 17% and 14%, instead of 1% and 40 year tenure which the delayed World Bank loan offered.

But nevertheless, our spirits are high, the high interest costs notwithstanding; I am pleased to report progress on these construction sites which provides employment for 1000 workers on the rail project and 500 (Five Hundred) workers at Adiyen Water Works.

The promise of reliable rail transport system for Lagos and an additional 70 million gallons per day of water when Adiyen is completed makes it all worthwhile.

"Ti eni be igu loju. Igi ma ru we".

As if all these were not enough, FERMA, another Federal Government agency, is threatening to start collecting fuel levies, which is a matter within the residual revenue authority of the State.

As I have said before, we will resist this incursion by taking legal action to stop the desecration of our fiscal federalist principles.

Distinguished ladies and gentlemen, inspite of the slowdown, whether by commission or omission, I am pleased to report that *"Eko o ni baje!"*

Our dear State is making progress on all fronts.

Except for our cynical opponents who need *'jigi Bola'* to see the progress, the overwhelming consensus within the State, outside the State and all over the world, is that Lagos is working.

Our commitment to Power, Agriculture, Transportation and Housing is manifesting incredible results.

We have just commissioned the 10mw Alausa Power Plant which I promised in my budget speech last year.

In the aftermath, we have de-commissioned over 120 generators and our Secretariat is now on its own dedicated electricity power, run on clean gas fuel.

It is the first Government secretariat that I know of in our country that has its own dedicated IPP.

We have also extended street lighting earlier in the year to Ikorodu Road from Jibowu to Anthony, as we have done across Lagos including 12 streets in Alimosho, and on Carter Bridge to mention a few.

In total we have now provided about 70km of street lighting across Lagos, to improve safety and stimulate our night economy.

We have dedicated the month of October as our Energy Month during which we have commenced an energy saving initiative and just yesterday we flagged off a clean cooking energy initiative of Liquefied Petroleum Gas (LPG) to reduce wood cutting.

We are in the process of converting the remaining functional generators to LPG fired generators which will save us 50% in fuel costs.

Pole by pole, IPP by IPP with Lekki and Ikeja GRA IPPs to come next year, we are committed to lighting up Lagos.

In the area of Agriculture, we are gradually inching towards our objective of improving on food security.

The Governor of Ogun State graciously approved land for us pursuant to my request as I promised in 2011.

Although I told you that our rice cultivation moved from 20 hectares to 250 hectares and that we were targeting a 500 hectares cultivation, I am pleased to report that we are now cultivating 850 hectares of rice and we are milling at our Imota Rice Mill.

From our farm in Araga, in Epe, we are now producing 150,000 eggs per day, translating to over 50 million eggs a year.

Our fish and poultry farming programmes are empowering young and old farmers and agriculture has become a business as well as a strategic security initiative in our State.

We are determined to also improve the quality of nutrition available to our citizens especially beef.

Accordingly, the Ministry of Agriculture is acting appropriately to restore best practices to cattle rearing, slaughter and processing, including the sanctioning of operators of illegal abattoirs.

We are not only enforcing, we are also training. This is why we sponsored 35 (Thirty Five) cattle dealers and butchers in Oko-Oba Abattoir on a training excursion to Kenya and Botswana to sensitize them about the vision for cattle and beef production standards that we think our citizens deserve.

As we embrace these standards, things can only get safer, businesses can only get stronger and opportunities will certainly expand for jobs and jobs seekers, if we move from sub-optimal practices to global best practices.

As we deal with increasing capacity in the production of carbohydrates sources such as rice and cassava, and protein sources such as fish, poultry and beef, fruit and vegetable production are also increasing within the State in Araga Epe and from our farm in Osun State.

We are also providing ready sales outlets and guaranteed market in our farmers marts which first started in Alausa and has now extended to Ajah and Surulere with a further three coming up in Shomolu, Ikorodu and LASU.

Public transportation has been our biggest challenge and by many parameters one of our biggest successes.

The history of the world shows that many cities and states often address one major transport solution at a time.

The Boston Road Tunnel, the Mumbai Mono-Rail and the Madrid Bypass Calle 30 are examples of transport solutions individually undertaken in cities.

In this area, our State has set an unprecedented record of five simultaneous transport solutions undertaken by one Government,

From the 40.5km Lekki-Eti-Osa Epe Expressway, to the 61km Lagos Badagry Expressway, the 13.5km Mile 12-Ikorodu Expressway, the 27km Okokomaiko-

Marina Lagos Blue Line Light Rail; to the ferry terminals in Ipakodo, Osborne, Badore, Mile 2-Ebute Ojo, it is obvious that your Government has its hands full and remains committed to developing first class multi-modal transport solutions befitting of the economic and financial capital of West Africa.

In the area of traffic management, about 2,406 (Two Thousand, Four Hundred and Six) personnel of LASTMA have been in intensive training for almost one year, and have written competence examinations and they are now set to graduate with a new ethos to traffic management.

Junction by junction, the number of traffic light installations are increasing and kilometer by kilometer, lane marking and traffic signs are appearing on our roads to make motoring a safer experience.

We are encouraged that these solutions are working because of the feedback we get from citizens.

On Friday 25th October 2013 a citizen sent me a text message saying:

“the traffic light at Ojuelegba has been adjusted. No more hold up”.

As far as road reparis are concerned, the Public Works Corporation is building 3 new asphalt plants in Ojodu Berger, Ikorodu and Ajido Badagry to increase the speed of response to repair potholes; and the Ministry of Works is currently executing over 200 inner city road projects which I promised in my budget speech last year.

It is impossible to list all the roads in this address, but it will suffice to mention completed or ongoing works such as:

- Ago Palace Way in Okota
- Salabiu Olanrewaju in Epe
- Ado Kekere in Ajah Badore
- Medical Road/Kodeshoh in Ikeja
- Igi Olugbin in Somolu
- Adetola Road in Aguda
- Sinari Daranijo Street in Victoria Island
- Glover Road in Ikoyi
- Isaac John/John Ogunnaike in Ikeja
- Balogun Amodu/Alhaji Dodoyowa in Ejirin Epe
- Awolumate/Oguntande Street in Ifako Ijaiye
- Showonuola Street in Agege
- Akinola/Victor Fagbemi/Kollington/Imulokanle in Alimosho

- Okusanya/Kufeji/Idowu Williams/Olaniyi at Ifako Ijaiye
- Roundabout to Moshalashi/Ipaja/Ayobo Road in Alimosho
- Bamgbose/Lewis, Alakoro, Marina/Kosoko Roads in Lagos Island
- Orile Ilasan/Iroko Awe Road in Eti Osa

In addition to these, there are bridge works in Ajao Estate, Agiliti, Tedi and Ijegun which are at different stages of construction and making progress towards completion.

I have also recently approved the commencement of another 25 roads and as these roads and bridges are being completed, we expect to see improved connectivity and improved journey times.

Happily, the Lagos Traffic radio continues to remain the City's favourite source of advance traffic information, while the Lekki-Link Bridge has achieved its iconic design purpose by becoming a favoured destination for residents and visitors alike and in the same vein is successfully performing its travel time reduction objective.

In response to public appeal, and after extensive consultations, our party the APC and our Government have acquired the concession rights to the Lekki-Eti-Osa Expressway with the approval of the House of Assembly and plans are underway to complete the due diligence and takeover of the assets and to complete the road.

I am also happy to report that one year after its implementation, the Traffic Law has recorded huge successes in its life and property saving objectives.

Traffic accidents have reduced from 646 (Six Hundred and Forty Six) reported accidents in August 2012 to 118 (One Hundred and Eighteen) reported accidents in July 2013, and deaths from motorcycle accidents have reduced from an average of 12 (Twelve) per month to 1 (One) per month and indeed no deaths were recorded in August, September, and October.

We are concluding plans to implement the next phase of the Law, and we have been working with the Transport Unions to sensitize them.

But before I move to housing; a little but serious word must be said about the Traffic Law.

Let me reiterate that out of over 10,000 roads in Lagos, the law restricted motorcycles from plying only 475 (Four Hundred and Seventy Five) which were highways, if such motorcycles were not up to the 200 cc capacity.

The law also provided that in the over 9,000 (Nine Thousand) roads where there is no restriction, the riders must wear safety helmets and not carry more than one passenger.

While I must commend the operators for largely complying, I cannot say the same for a few law enforcement agents and few military personnel who have either turned enforcement into an extortion exercise for money or have seen themselves as above the law by violating our traffic laws and BRT Laws.

Let me say to them clearly, that it is bad enough if law enforcement personnel violate the laws they are constitutionally paid to enforce, it is the height of impunity if they do so in uniform.

That uniform is the symbol of the authority of the State and it is funded from tax payers' money.

I have news for those bad eggs who give law enforcement a bad name in this country.

We will bring you to justice and make examples of you; before you bring dishonor to these timeless institutions that have produced officers and true gentlemen.

In the area of housing, I will not take more time than is necessary. I will only state that the LagosHoms programme is on course.

Many of our housing units are making progress on 15 different construction sites, employing a total of 7,757 workers, in Shitta, Gbagada, Ajara, Ilupeju, Sangotedo, Igbogbo, Mushin, and Omole to mention a few.

At least 3,192 housing units will be added in the first quarter of 2014 to the already completed 1092 (One Thousand and Ninety Two) units.

We intend to commence more developments to ensure that there is no shortage of supply once we start the allocation process.

Apart from Power, Agriculture, Transport and Housing, we have not relented in other sectors.

Our commitment to improving on the successes we have made in the area of security remains at an all-time high.

We are consistently breaking up criminal gangs, arresting their members, recovering illegal arms and effecting seizures of hard drugs.

I urge all residents to remain law abiding, vigilant and security conscious and to go about their businesses without fear.

I must not fail to report that our drainage management solutions are yielding results as the incidents of flooding have reduced to only flash floods which flow away shortly after heavy rain.

This is proof not only of the existence of a drainage system in Lagos, it is proof that it works, it is proof that our people are changing, it is proof also of the hard work of the Ministry of Environment and the Government as a whole.

There is also progress to be reported in the education sector.

In terms of our children's academic performances, the WAEC results improved from 39% in 2012 to 41% in 2013 even though we seek to achieve more successes.

But from 7% pass a few years ago, to 41% pass today, we have come a long way and we are inspired to believe that the journey of education renaissance in Lagos can be completed.

In all the tertiary institutions, reforms are underway and we are experiencing progress both in infrastructure renewal and in qualitative education provision.

The progress across sectors is also evident in the health sector.

Our free medical health mission continued in the year and the next one is scheduled for Badagry to bring healthcare and medical relief to our people at the grassroots free, as proof that their taxes work for them.

The safe motherhood programme to reduce infant and maternal mortality is gaining ground in all our operational maternal and child centres.

We will shortly open the one in Alimosho, while the one in Lekki is almost concluded.

Our reforms in the Primary Healthcare systems are already underway with the opening of 6 (six) 24 hour flagship Primary Health Centres with the collaboration of our Local Government Chairmen in Lagos Island West, Mosan Okunola, Badagry, Itire, Eredo and Onigbongbo so far, with many more to come.

I must observe however, that the best defence against ill health and sickness is self defence.

This is simple. It is all about personal hygiene.

Starting from regular hand washing, cleaning our drains, bagging our refuse and most importantly not urinating and defecating in open places.

We must all rise up to embrace regular hand washing and we must condemn and stop those other unsanitary acts such as defecation and urination in public spaces, in order to prevent outbreak of diseases and epidemics.

I am also delighted to inform you that not only did we open the first class Burns Unit in Gbagada to the public this year, the Cardiac and Renal Centre for heart and kidney disease treatment and transplant is now completed.

We will open to the public as soon as we complete the management agreement with the operators who will run the centre, and train our local doctors and students.

Indeed there is so much more to report in terms of progress that many of you have personally experienced more than even I could describe.

In order to sustain this progress, we therefore propose a budget of ~~N~~489.690bn for the year 2014.

This budget is made up of the following:

Details	Y2014 EXCO Approved (Nbn)
Recurrent	234.665
Capital Expenditure	255.025

Our Capital to Recurrent ratio is 52:48 for Y2014 as against 58:42 in Y2013.

- Total Personnel Cost/Total Revenue is 19%
- Total Personnel Cost/IGR is 27%
- Personnel Cost as percentage of Recurrent Expenditure is 37%

As I promised last year about reducing our deficit, a zero deficit financing requirement is proposed for Y2014.

The Sectoral allocation of the Budget in size and percentage are as follows:

Sectors	Y2014 EXCO (Nbn)	%
General Public Service	100,215,966,990	20.47
Public Order & Safety	17,977,368,027	3.67
Economic Affairs	160,046,436,169	32.68
Environmental Protection	39,727,711,248	8.11
Housing & Community Amenities	50,537,201,984	10.32
Health	37,812,553,057	7.72
Recreation, Culture & Religion	3,482,081,806	0.71
Education	77,423,827,872	15.81
Social Protection	2,466,309,939	0.50
Total	489,689,457,092	100

The Sectoral Highlights of the Y2014 Budget are:

General Public Service

- Pensions
- Residents Registration and Issuance of permanent residents' cards
- Implementation of Public Procurement Law

Public Order and Safety

- Computerisation/Automation of Judicial procedures including e-filing
- Completion of on-going High/Magistrate Courts projects
- Renovation/Rehabilitation of Court Rooms and Judges Chambers
- Improving Safety and Disaster Management

Economic Affairs

- Implementation of various IPP projects
- Development of Enterprise Zone in Gberigbe, Ikorodu and Upgrading of Yaba Industrial Park
- Advancement of Ten-Lane Lagos-Badagry Expressway / Blue Rail Line Corridor
- Completion of other on-going Road Construction Projects and pedestrian bridges
- Agric-YES, Accelerated Food Expansion Program: Rice, Animal Husbandry, Root Crops

Environmental Protection

- Improvement/Maintenance of Drainage Channels
- Completion of New Sewage Treatment Plant at Odo Iya-Alaro
- Advancement of Adiyin Water works Phase II and Improvement water pipeline in Lagos West
- Continuous tree planting, beautification and climate change projects

Housing & Community Amenities

- Lagos Home Ownership Mortgage Scheme (H.O.M.S)
- Rehabilitation of small scale Rural Water Schemes /Implementation of Rural Electrification Projects
- Provision of Rural Roads
- Electronic Certificate of Occupancy
- Upgrading of slum areas

Health

- Upgrading of Health Facilities
- Renovation and equipping of flagship Primary Healthcare Centres
- Completion of on-going Health Facilities such as Ayinke House,
- Completion of MCCs at Epe and Badagry

Recreation, Culture & Religion

- Tourism Development Projects:
- Rehabilitation of Slave Route to "Point of No Return" -

Education

- Improvement of Science and ICT facilities in Public Schools
- Continuous Rehabilitation/Upgrading of Public School buildings/facilities

Social Protection

- Completion of Ketu Vocational Centre for Children with Disability
- Provision of Recreational Facilities for the Disabled
- Continuous upgrading/Completion of Youth Centres
- Maintenance and upkeep of Old People's Home, Boys and Girls Remand Homes

Distinguished ladies and gentlemen, because this is the last full year budget that my administration will implement, it represents a slight reduction in budget size when compared with the 2013 budget.

Its focus will be to complete on-going projects, and consolidate on the gains we have made.

Before I conclude, permit me to say a few words about some of our policies and programmes which are aimed at improving the quality of service delivery and the quality of life.

One of such programmes is the Residents' Registration exercise. As I said at the launch, it is for Residents of Lagos and no more.

It seeks to register everybody who intends to live here for up to 6 (six) months and beyond irrespective of where they come from.

I have issued Executive Orders to the entire Public Service to amend our forms and processes to request the provision of the citizens' registration number which is provided whenever you register.

With effect from the 1st of December 2013, it will be a requirement in terms of information to be provided in order to enable us to provide service to you or process requests from you.

I urge you all to either go to the nearest Local Government office near you to register, or do so online at the Agency's website or engage the mobile registration team.

There is continuous information on the Radio, Television and our State website about how the process works.

I am convinced that, as soon as you start providing us with your registration numbers, our capacity to respond to your requests will get faster and better.

Our electronic Certificate of Occupancy programme is almost completed. I have signed some of them already and very soon we will start releasing the certificates.

Distinguished ladies and gentlemen, we are coming to the end of a very extended rainy season and heading into dry weather and the end of another year.

These periods, the rainy season, the dry season, and end of year all have their peculiarities.

The rainy season brings on wetness and the risk of flooding. We have successfully overcome the flooding risk.

We now have to deal with the risk of fire that characterizes the dry season, and the risk of crime, by people who seek to reap at the end of the year, where they did not sow any seed of hard work in the whole year.

We must all resolve not to be their victims.

This should not be difficult. We only need to do simple things, such as exercising more care with electrical appliances, with candle light, lanterns and fireworks.

We also need to be vigilant, resist the temptation for offensive display of wealth, scrutinize people we employ to work for us especially in our homes, and be our brothers' keepers.

In other words, we need to be safety conscious. We have done well so far, we must continue and improve.

If we do some of these things, I am sure that all will be well with us.

Finally let me thank our party, the All Progressives Congress, our political leaders, our elected public officials at the State and national level for all the work they have done in Lagos and Abuja to improve the quality of life of our people.

The platform rekindles hope that the promise of Nigeria is within reach.

I am certain that we will all be witnesses to the great dawn that I see on the horizon.

Dear Lagosians, distinguished ladies and gentlemen, I wish you all a merry Christmas and a prosperous year 2014.

Thank you for listening.

Eko o ni baje!

Babatunde Raji Fashola, SAN
Governor of Lagos State
October 30, 2013