

# CITIZENS' GUIDE TO 2020 BUDGET



Lagos state Government



# Lagos State Budget

The 1999 Constitution, section 121 stipulates that prior to the commencement of each financial year; the Governor require to present an annual Budget (Appropriation Bill) of the State to the House of Assembly for enactment into law.

Thereafter, the Governor assents to it, then becomes an Appropriation Law. This therefore, puts the responsibility of the Budget between the Executive and Legislative arm of the Government.

Y2020 Budget ("Budget of Awakening") was presented to the Lagos State House of Assembly on Friday, 8 November, Y2019 and was passed into Law on 30th December, 2019. Mr. Governor, Babajide Sanwoolu gave his assent to it on 31st December, 2019.

## Objectives of the 2020 Budget

### The objectives of Y2020 budget include:

Attract private sector investments to the State economy by creating an enabling environment;

Aggressively develop, upgrade and maintain our Infrastructure;

Invest in human capital development, i.e. education and healthcare;

Facilitate sustainable social investment and enterprise;

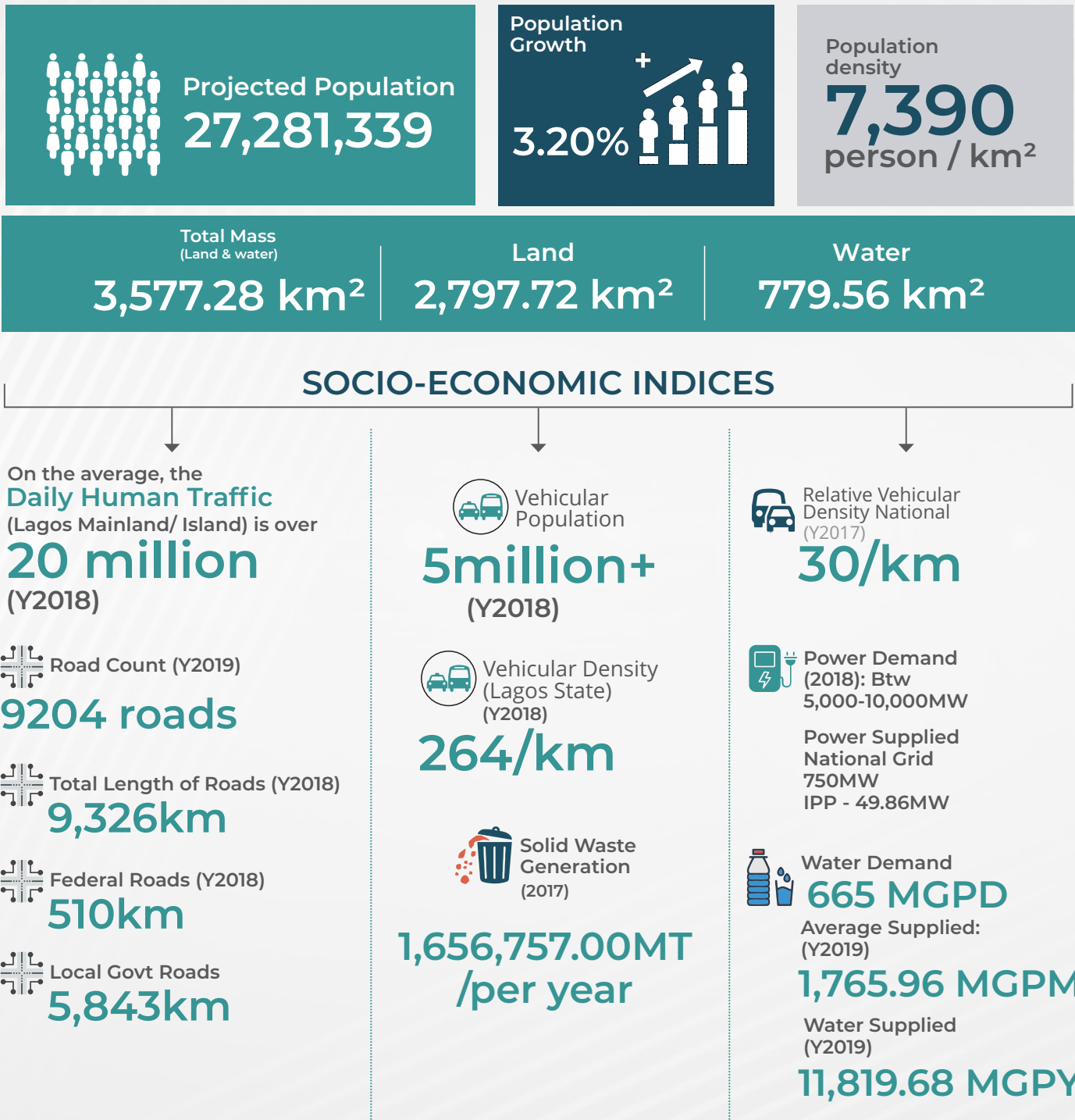
Improve capacity to collect due revenues as efficiently as possible;

Improve civic participation in governance, and automate public services and engagement;

Build impactful partnerships with the Federal Government, other States, development partners and civil society; and

Improve the quality of the environment and our public spaces generally.

# Lagos Demographics



## Budget Definition

Public Sector budget is defined as a statement of a government's estimated revenue and expenditure for a particular period; normally a year for an annual budget and three to five years for a medium-term.

The budget size depends on the level of revenue that can be generated and spent in line with Government Policies/Programmes.

## Budget Components

Ÿ **Revenue:** That is, how much money collected in a year, and how it will be collected.

### *Major Heads of Revenue:*

Internally Generated Revenue, Capital Receipt and Federal Transfers

Ÿ **Expenditure:** That is, how much money to be spent in that same year, and what to spend the money on.

### *Major Heads of Expenditure:*

MDAs Expenditure (Recurrent and Capital), Debt services and Repayment

Ÿ **Financing/Debt Service;** When the expenditure is more than the revenue earns. Government must find the financial

resources (borrow) to pay for this additional spending. Money borrowed within Nigeria is referred to as Internal Debt while from outside Nigeria is External Debt. When Principal and interest are paid on the Debts, it is referred to as Debt Service





## How is the Budget Prepared?

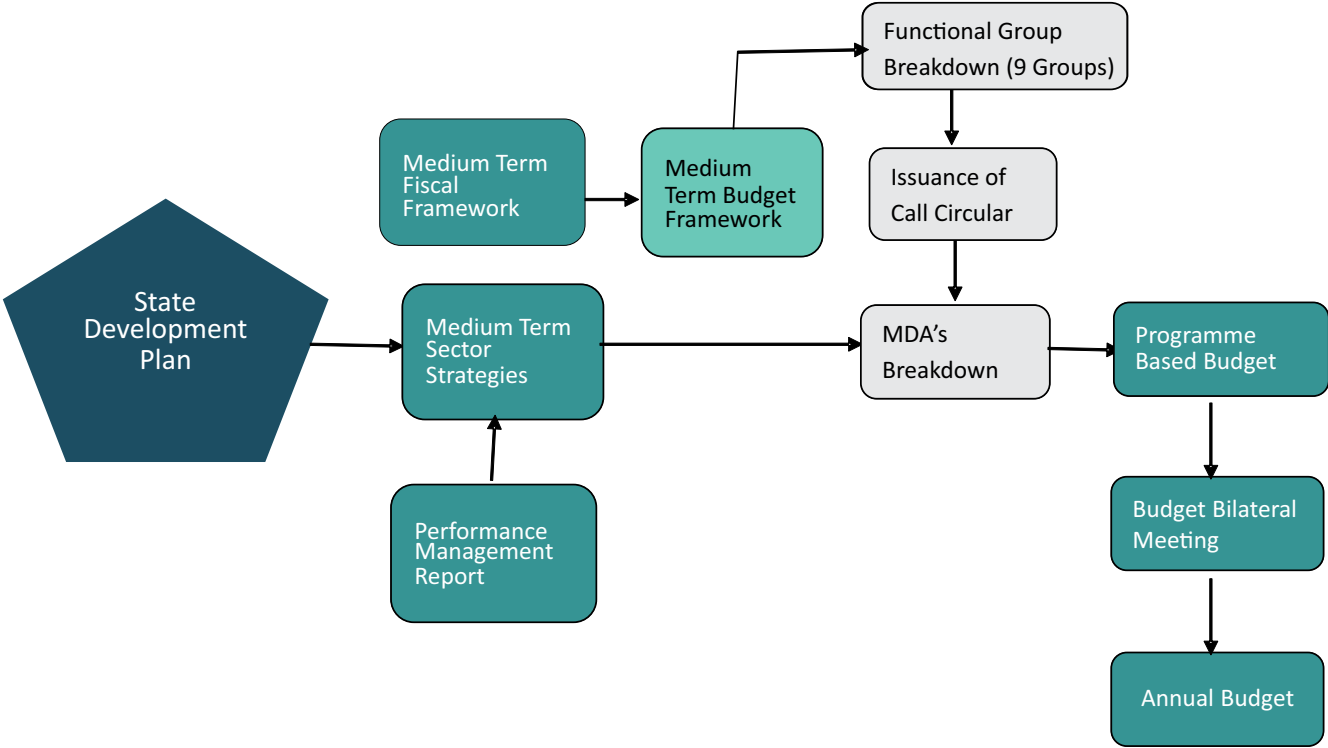


# Setting Policy Target

The Lagos State Government prepare the Budget in line with **THEMES** Agenda initiative and direction for the State. The budget serve as a policy tool for achieving the short, medium and long-term development goals The Initiatives describe how the government will develop the State through:

Traffic Management & Transportation,  
Health & Environment,  
Education & Technology,  
Making Lagos a 21st Century Economy,  
Entertainment & Tourism; and  
Security & Governance

The Linkage between Lagos State Development Plan (LSDP) and Budget



## The Lagos State Development Plan (LSDP) – Vision and Mission

Africa's model megacity,  
a global economic and financial  
hub that is safe, secure,  
functional and productive

Eradicate poverty and  
promote economic  
growth through infrastructural  
renewal and development

## Linkages Between LSDP, MTSS, PMR and Budgets.

**LSDP** – Long Term Government Strategic

Thrust

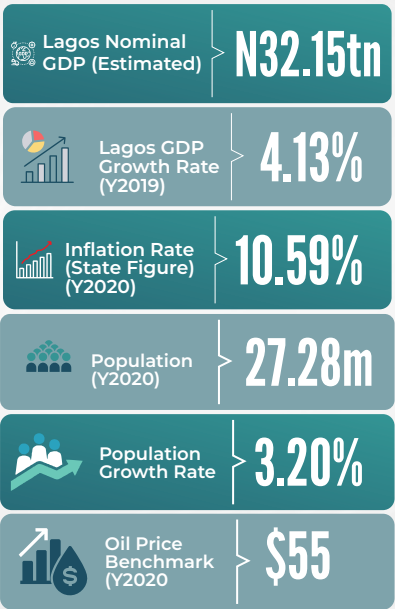
**MTSS** – Aligns Government Long Term Policies and Strategies into Medium Term programs and Projects showing priorities and costings within available resources.

Subsequently monitoring and evaluation activities are initiated for the measurement of performance (Outputs and Outcomes) which culminates in performance Management Report(PMR)

## Developing the Strategy through the Medium Term Fiscal Framework

Y2020 Budget was prepared in accordance with the fiscal responsibility Act 2007. The fiscal framework indicates how revenue, expenditure, borrowing and fiscal balance (deficit or surplus) are planned in the next three (3) financial year (Medium term). Fiscal framework normally includes a revenue framework (where the money comes from) and an expenditure framework (where the money is spent on). The Medium Term Framework was prepared based on agreed underlying assumptions as follows:

### UNDERLYING ASSUMPTIONS FOR MTEF IN LAGOS STATE



## Citizens' Engagement (Consultative Forum)

Inputs for the Budget were obtained through several consultative fora with Stakeholders (including the organised private sector, civil society, traditional rulers and public sector) for their input and buy-in which took the form of open and interactive session. This made the Budget process open, transparent and accessible to citizens.

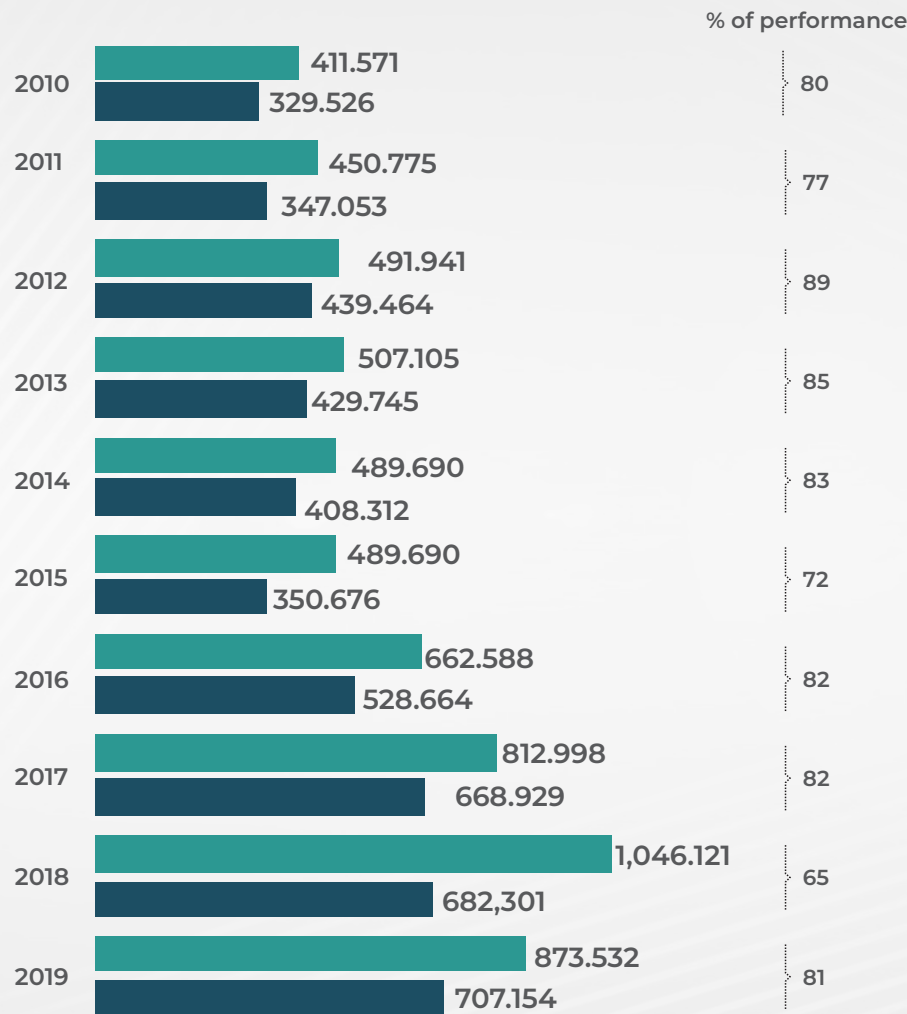
## The Budget Call Circular and Bilateral Discussion

The Budget Call circular gives detail instruction on how the MDAs should prepare and submit their estimates within the limit of their available resources.

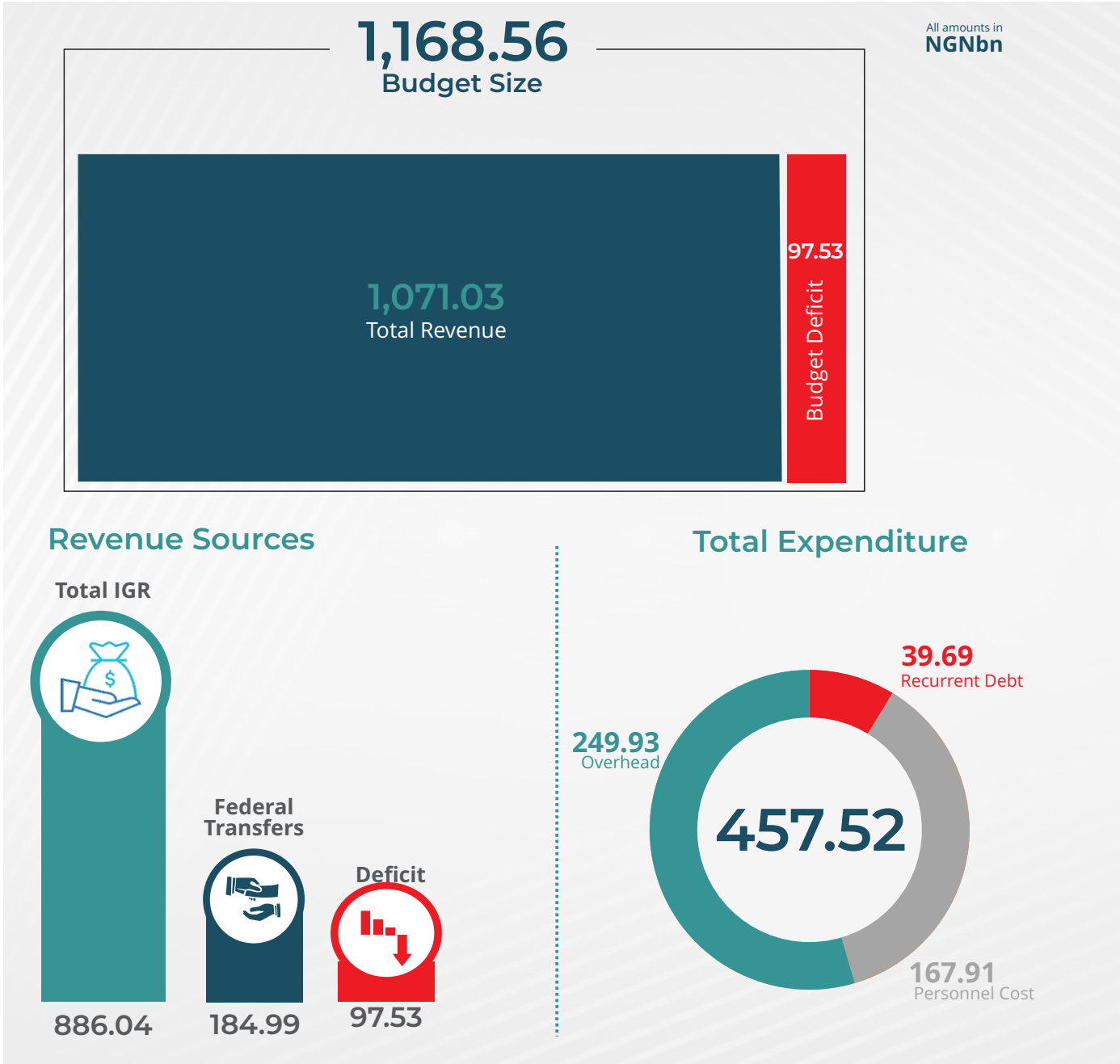
During the Bilateral discussion, MEPB will ensure that MDAs stayed within their available resources and consistent with the priorities of Government.

### Trend Analysis of the Budget Performance (2010-2019)

All amounts in  
**NGNbn**

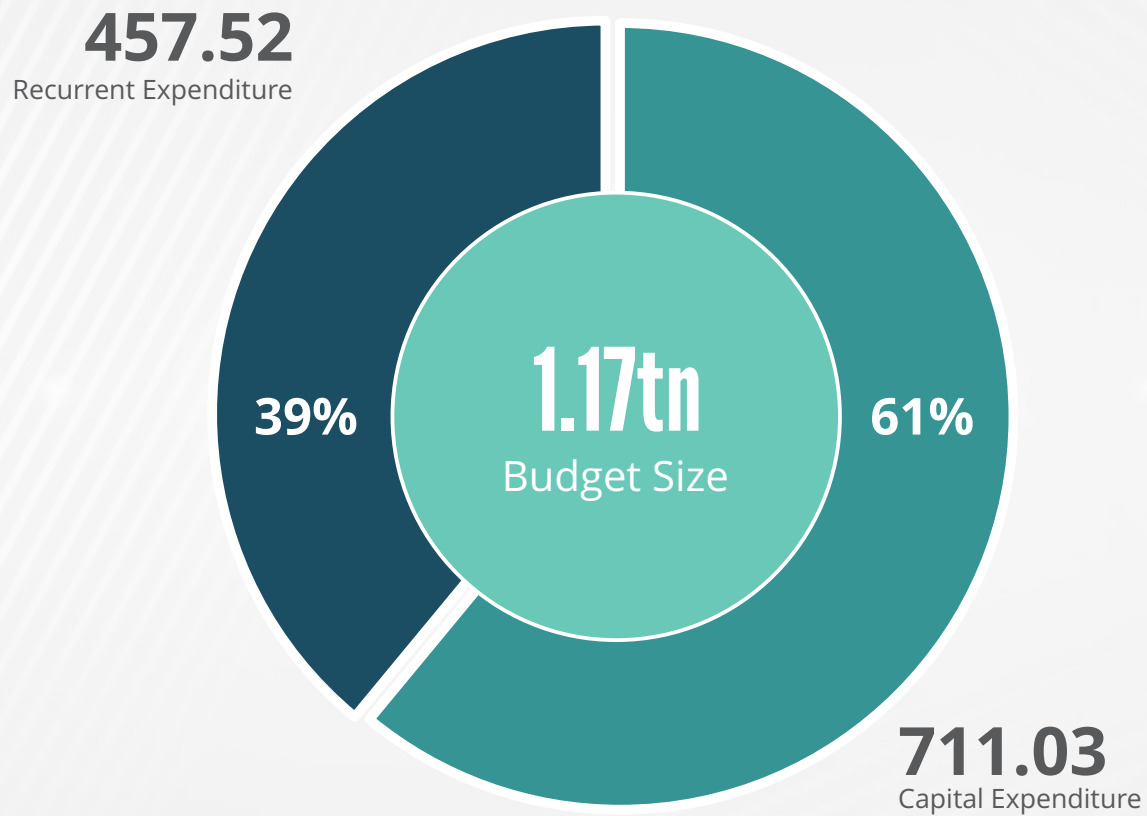


2020 Budget at a Glance



## Capital/Recurrent Expenditure

All amounts in  
**NGNbn**



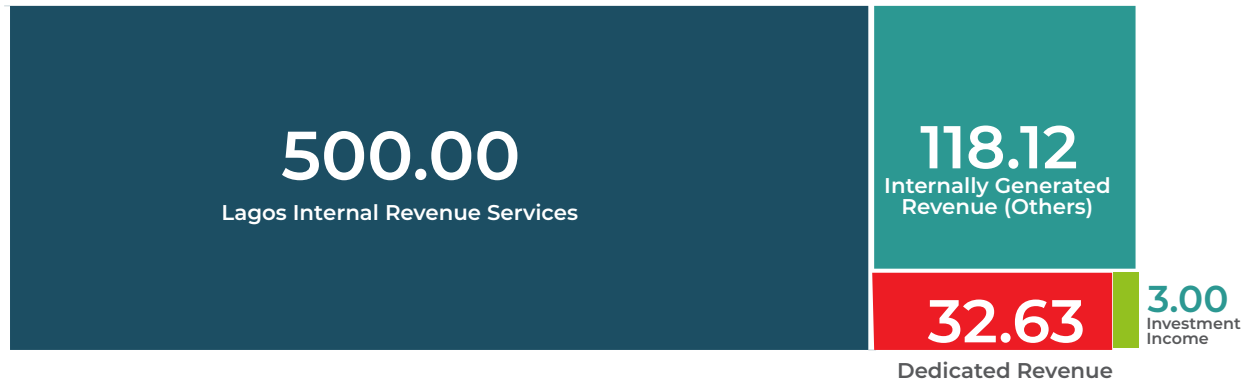
## Where the Money Comes from (Funding)

Internally Generated Revenue (Nbn)		Capital Receipt (Nbn)		Federal Transfers (Nbn)		Financing (Nbn)	
Internally Generated Revenue	653.75	Capital Receipts	232.29	Federal Transfers	184.99	Deficit Funding	97.53
Lagos Internal Revenue Services	500.00	Grants	36.06	Statutory Allocation	63.50	External Loans	34.53
Internally Generated Revenue (Others)	118.12	Other Capital Receipt	21.23	Value Added Tax	111.38	Internal Loans	63.00
Dedicated Revenue	32.63	Balance from Loan Proceed	100.00	Extra Ordinary Revenue	10.00		
Investment Income	3.00	Balance from Bond Issuance	75.00	13% Derivation	0.10		
Extra Ordinary Revenue	-						

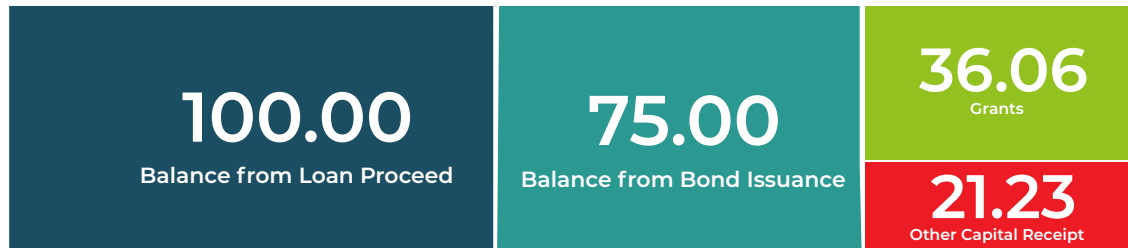
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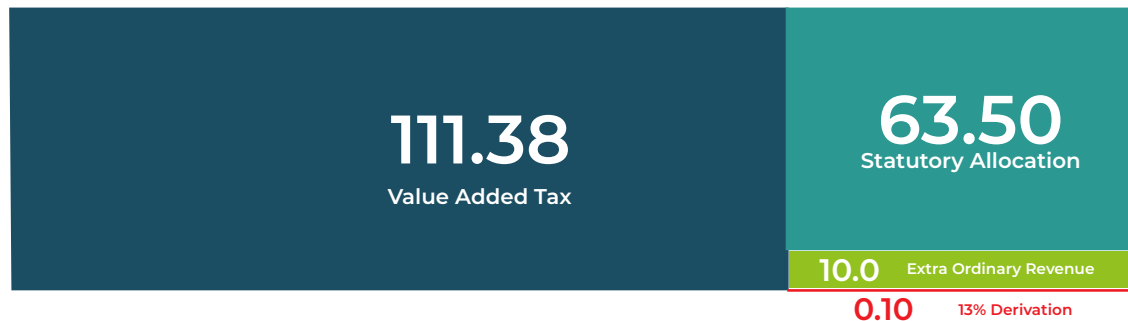
### Internally Generated Revenue (Nbn)



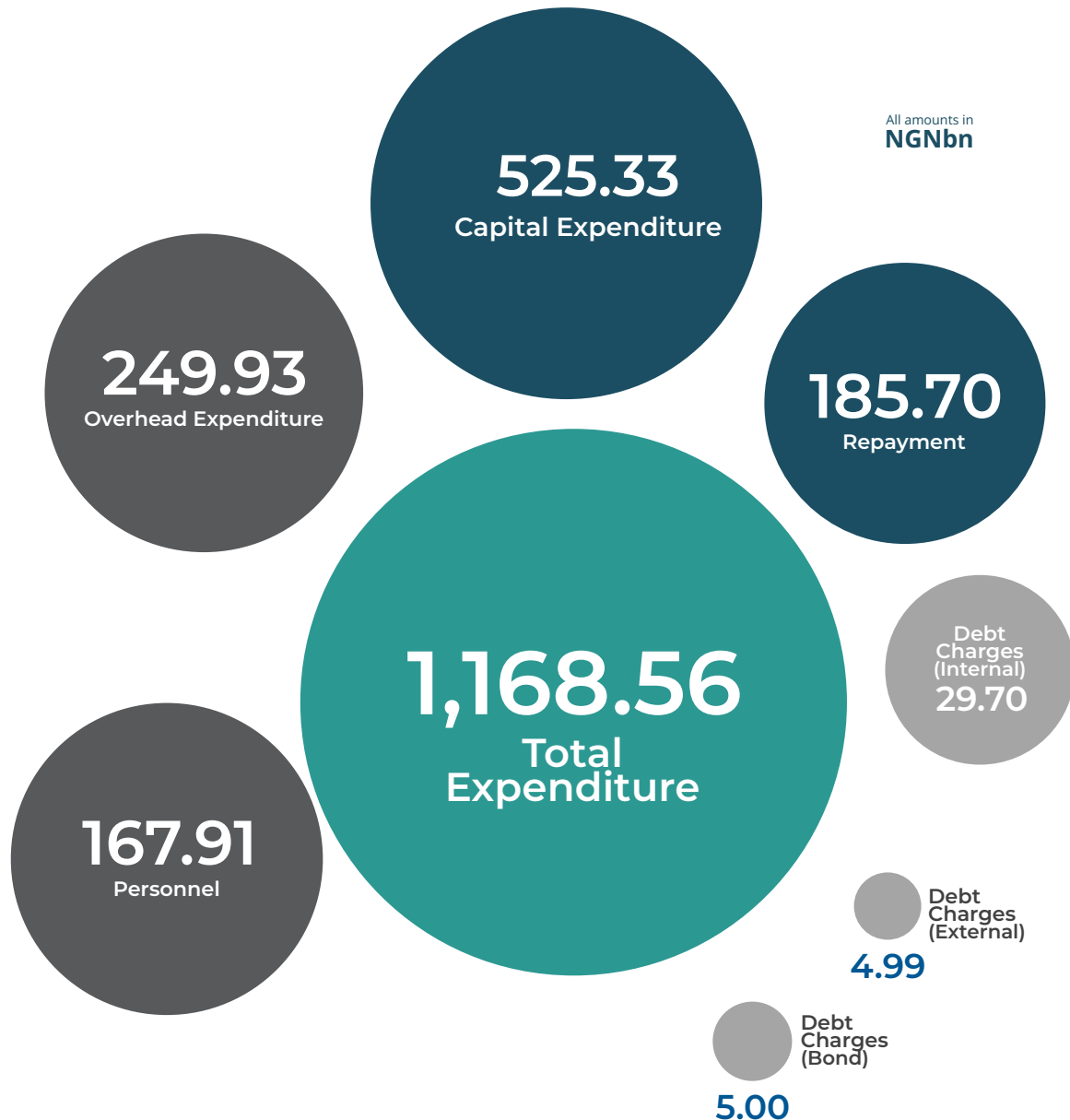
### Capital Receipt



### Federal Transfers



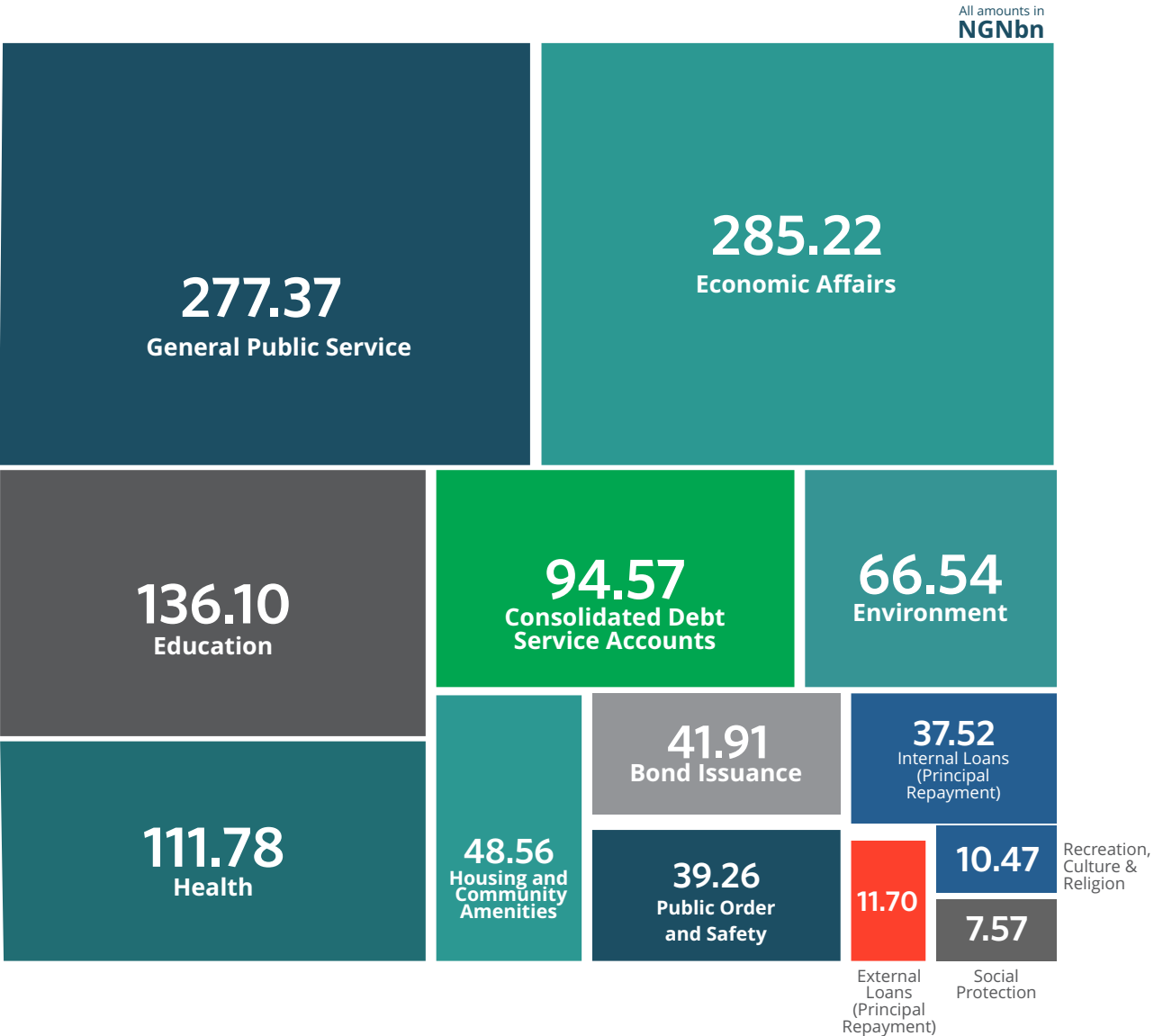
## Where the Money Goes (Expenditure)



## Function Group Allocation

The Y2019 Budget Size by breakdown in Functional Groups (9-Groups) and percentage shows:

Percentage allocated to each of the Functional Group reflects Government Strategic priorities, sustenance of past trend and needs assessment of the citizenry



FUNCTION	Y2020 Allocation			
	Recurrent Expenditure	Capital Expenditure	Total Allocation	% Alloc
General Public Services	189.26	88.11	277.37	23.74
Public Order and Safety	22.50	16.761	39.26	3.36
Economic Affairs	52.05	233.18	285.22	24.41
Environment	25.80	40.73	66.54	5.69
Housing and Community Amenities	4.64	43.92	48.56	4.16
Health	72.69	39.08	111.78	9.57
Recreation, Culture and Religion	5.45	5.02	10.47	0.90
Education	80.71	55.39	136.10	11.65
Social Protection	4.423	3.15	7.57	0.65
External Loans (Principal Repayments)		11.70	11.70	1.00
Internal Loan (Principal Repayments)		37.52	37.52	3.21
Bond Issuance		41.91	41.91	3.59
Consolidated Debt Service Accounts		94.57	94.57	8.09
<b>TOTAL</b>	<b>457.53</b>	<b>711.03</b>	<b>1,168.56</b>	<b>100</b>

## Key Deliverables

The critical areas of our expenditure plan for Y2020 are:

### Transportation & Traffic Management

The Sum of N44.51bn was budgeted for under the Transportation sector for the following projects:

- Rail Projects
- Completion of Agege Pen Cinema Flyover
- Zero tolerance for potholes in the State
- Advancement of Lagos - Badagry Expressway
- Completion of Trailer park at Orile Iganmu
- Full operations of Ikorodu (Ipakodo) – Elegbata-Marina, Ikorodu (Ipakodo) – Falomo- Marina ferry routes
- Junction Improvement and signalization (include roundabout) across major roads

### Education

Education Sector was allocated **N136.10billion** to execute the under-listed projects/programmes:

- Construction/rehabilitation of schools (300 schools would be renovated in Y2020. This is the first phase of the school rehabilitation programme);
- Provision of furniture for some primary and secondary schools,

- Provision of equipment for science laboratories.
- Eko-Excel Project to improve learning outcomes using technology in early education.

### Science and Technology

Making Lagos a 21st Century economy being one of the THEMES agenda, the sum of N10.63bn has been provided for the following projects:

- Building & upgrading of IT Infrastructure Statewide,
- e-GIS Land automation system, Single Billing system and ease of tax payment,
- Levies and Other Revenue enhancement initiatives.
- Smart City Project
- Lagos Metropolitan broad band initiative

### Health

The Health sector has been allotted the sum of N111.78bn to enhance the projects listed below;

- Continuous upgrading/renovation of health facilities
- Completion of on-going health care infrastructure in our Maternal and Child Care centres (MCC)
- Drive adoption and registrant rate in the Lagos State Health Insurance Scheme

- Renovation of some Primary health care facilities across the State.

## Environment

A total sum of N66.59bn was earmarked for:

- Construction/Upgrading/Rehabilitation/Maintenance of Primary, Secondary and Tertiary drainage channels across the State
- Establishment of Flood Forecasting system with Weather stations (Phase 1),
- Flood monitoring and alert system for 3 major rivers (Ogun River, Owo River & Yewa River).
- Construction of Waste plant and equipment: Conversion of waste to power and waste to wealth
- Construction of Transfer Loading station.
- Procurement and fabrication of containers and Household bins.
- Construction of Community recycling centre (CRC) in 20 Local Government.
- Advancement of Adiyin waterworks (phase II)
- Rehabilitation/Upgrade/Maintenance of major

and mini waterworks across the State.

- Rehabilitation of Parks and Gardens
- Upgrading of Recreational Parks & Gardens and Horticultural Research Centre

## Tourism

The sum of **N7.48bn** was budgeted for the execution of the project listed below:

- Development of Heritage Centre for Leadership (Lugard House)
- Upgrade of Lagos Museum,
- Global Citizens Conference,
- Furnishing of Badagry Heritage Museum
- Furnishing of Vleteke Slave market, Badagry
- Enhancement of Monuments/Statutes in Lagos State
- Completion of Theaters in five division of the Lagos.

## Sports Development

To kickstart sport at the grassroot level, the sum of **N7.74bn** has been earmarked to:

- Complete on-going renovation work on Mobolaji Johnson stadium (formerly Onikan stadium),
- Renovation of Teslim Balogun stadium,
- Construction of Community youth recreation

centers across the state.

- Provision for sporting facilities in schools and location spread across Local governments/Development Area across the State
- Develop grassroots Sport competition in all the Local Government Areas. (e.g football and other track & field events)

### Housing and Community Amenities

The total allocation to the Housing and Community Amenities sector is **N48.56bn** which is to facilitate:

- Completion of on-going housing estates including infrastructure.
- Implementation of an electronic Certificate of Occupancy and Title re-certification program (including issuance of e-planning permits).

### Agriculture and Food Security

Sum of N4.84bn was approved for

- Foods and expansion program in rice production,
- Agric Youth Empowerment Scheme (Agric YES),
- Animal husbandry and root crops collaboration with other states in the Federation.

### Commerce and Industry

The sum of **N3.93bn** was approved for the

following projects:

- Development of Enterprise Zone at Gberigbe-Ikorodu, Agemowo-Badagry and Ijanikin.
- Development of Lekki Free Zone
- Development of Imota Light Industrial Park
- Rehabilitation of Small Scale Industrial Estate at Isolo and Matori.

### Wealth Creation and Employment

The sum of N8.40bn was earmarked to sustain

- Employment Trust Fund Scheme
- Implementation of Graduate Internship Programme
- Creation of Industrial/Incubation Hubs (Building & Equipping).

### Women Affairs

In order to reduce Poverty to a minimum level, the needs of women in the state are recognized and been provisioned for with a sum of N2.920bn to enhance the programmes and project listed below;

- Construction/Upkeep and Maintenance of Skill Acquisition Centres
- Upgrading & renovation of Women Development Centre, Agege.
- Construction and equipping of Institute for Care giver in Agidingbi.
- Construction and equipping of Multi-purpose centres for women

- Special poverty alleviation intervention programme for women
- Renovation and upgrading of Public Toilets across the State.

### Youth and Social Development

The sum of N3.72bn has been provisioned for:

- Construction/completion of elderly care centres in Ikorodu, Epe, Badagry, Alimosho and Lagos Island
- Renovation and furnishing of Badagry, Epe, Ikorodu and Omititun youth Centres.
- Provision of ICT equipment in 5-Youth Centres
- Renovation of old peoples homes
- Construction and furnishing of Special children centre, owutu.
- Upgrading of football pitch and construction of
- Multi-purpose court at Ikeja Youth Centre.
- Renovation of vocational rehabilitation Centre for disabled persons, Owutu Ikorodu.

### Lagos State Office of Disability (LASODA)

- Empowerment/Entrepreneurship for people with disability.
- Procurement of equipment/assistive devices for people living with disability.

### Security and Governance

The sum of N39.27bn was allocated to enhance security as well as to sustain Law and Order in the State with the,

- Provision of vehicles, security gadgets and logistics for Security services
- Purchase of specialized Fire Fighting Equipment.
- Improvement of street lighting in the state
- Construction of 3<sup>rd</sup> relief camp at Lekki
- Procurement of Heavy Duty vehicle/equipment.
- Construction of Commercial court, Yaba
- Renovation of Court facilities.
- Expansion of mobile courts to 3 (three) locations

## Y2020 Budget Work Plan

SN	SUBJECT	ACTIVITY	PROPOSED DATE
1	Conclusion on 2019 & Inception of Y2020 Budget	a) Issuance of Budget Operational Guidelines	January
		b)Y2020 Budget Analysis	January
2	Budget Performance Appraisal	a) 4th Quarter/Full Year Y2019 Budget Performance Appraisal	January
		b) 1st Quarter Y2020 Budget Performance Appraisal	April
		c) 2nd Quarter/Mid-Year Review of Y2020 Budget Performance	July
		d) 3rd Quarter Y2020 Budget Performance Appraisal	October
		e) Y2020 Budget Performance Appraisal for the 4th Quarter/Full Year	January 2021

3	Implementation of the Y2020 Budget	a) Publishing of Citizens Guide	February 2020
		b) Publishing of Abridged Budget Document	March 2020
		c) Burning of detailed Budget into CD/hosting on internet)	March 2020
4	Commencement of Y2021 Budget Preparation	a) Meeting with Major Revenue Generating Agencies and Ministry of Establishment Training & Pensions on Fiscal Strategy 2021-2023	April 2020
		b)Preparation and Adoption of Fiscal & Sector Strategy for 2021-2023	April 2020
		c)Presentation of 2021-2023 Economic & Fiscal Update/MTBF to EXCO	July 2020
		d) Presentation of 2021-2023 Economic & Fiscal Update/MTBF to HOA	July 2020

		f) Submission of Function Group agreed figure	July 2020
5	Commencement of Y2021 Budget Preparation	e) Budget Consultative Forum	
		i) Lagos East	July 2020
		ii) Lagos Central-Surulere	July 2020
		iii) Lagos West- Ikotun	July 2020
6	Preparation of Y2021 Budget Estimates	a) Workshop for Planning Officers in MDAs	July 2020
		b) Uploading of Budget proposals into the Oracle	July 2020
		c) Submission of Budget Proposals	August 2020
		d) Evalaution of proposals	August 2020
		e) Bilateral Budget discussions	
7	Collation of Bilaterally Agreed Budget Figures	a) Compilation of Revenue, personnel Cost overhead Cost,Capital Cost etc	September 2020

		b) Production of Budget summary table	
8	Y2021 Draft Budget	a) Submission for Y2021 Draft Budget to His Excellency	September 2020
		b) Presentation of Y2021 Draft Budget to the State Treasury Board	September 2020
		c) Presentation of Y2021 Draft Budget to the State Executive Council	September 2020
		d) EXCO Legislative Parley on Y2021 Budget	September 2020
9	Legislative Processes	a) Presentation of Draft Y2021 Budget to the House of Assembly	September 2020
		b) Consideration of Budget Proposals by the House	October - December 2020

		c) Passing of Y2021 Appropriation Bill	
10	Appropriation Law	a) Printing of the Appropriation Law	December 2020
		b)Assent of Y2021 budget by the Governor	December 2020
		c) Updating of Y2021 Approved Budget into the Oracle	January 2021

## CITIZENS' ROLE

We appeal to Citizens to co-operate with the State Government through:

- Regular payment of taxes
- Timely Provision of information to security agencies
- Monitoring of on-going Government projects and reporting observed lapses to appropriate Government agencies
- Patronage and Protection of Public Facilities and Infrastructure



## TRACK CAPITAL PROJECTS WITH US

PROJECTS	MINISTRY	LOCATION	AMOUNT
Drainage services and water resources	Ministry of Environment	State Wide	10,793,820,953
Lagos Badargy Expressway	Ministry of Works	Lagos Badagry	10,433,783,085
Construction of flyover at Agege Pen-Cinema	Ministry of Works	Pen-Cinema	8,347,026,468
Operation deep clean	Ministry of Environment	Across the State	7,591,760,000
Waterfront Infrastructure Development	Ministry of Waterfront	Across the State	6,070,644,080
Oshodi Airport Road	Ministry of Works	Airport Road	5,891,760,000
New Water Works	Lagos Water Corporation	Across the State	5,891,760,000
Maintenance of Roads	Ministry of Works (Public Works Corporation)	Across the State	3,547,733,627
Holistic Shoreline Project	Ministry of Waterfront	Coasterline	3,130,134,926
Special Roads Intervention (MEPB)	Ministry of Works	Across the State	2,945,880,000
Construction of VIP Charlet, Badagry	Ministry of Works	Badagry	1,963,920,000
Urban Renewal Generation Agege, GRA Ikeja	Ministry of Works	V.I, Ikeja, Agege	1,963,920,000
Dualization of Lekki Epe Expressway from Eleko (Phase 1)	Ministry of Works	Eleko-Epe	1,963,920,000
Furnishing and equipping of Multi Agency Building	Ministry of Works	Ikeja	1,669,405,294

## TRACK CAPITAL PROJECTS WITH US

Strategic Roads in Epe	Ministry of Works	Epe	1,645,880,000
Kajola/Bogije Road in Ibeju/Lekki	Ministry of Works	Ibeju Lekki	1,300,000,000
Road Maintainance	Ministry of Works (PWC)	Across the State	1,153,742,158
Special Building/Strategic Projects	Ministry of Works	Across the State	1,043,378,309
Lekki Foreshore	Ministry of Waterfront	Lekki	1,043,378,309
Construction of Jetties and Terminals	Ministry of Waterfront	Across the State	1,043,378,309
Trailer Park	Ministry of Works	Orile-Iganmu	981,960,000
Construction of Opebi Road/Mende Bridge (Preliminary Road)	Ministry of Works	Opebi	245,490,000

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