

**TEXT OF AN ADDRESS DELIVERED BY HIS EXCELLENCY MR. BABTUNDE RAJI FASHOLA (SAN), DURING THE PRESENTATION OF THE Y2009 BUDGET TO THE LAGOS STATE HOUSE OF ASSEMBLY, ON MONDAY, NOVEMBER 17<sup>TH</sup>, 2008.**

**The BUDGET OF ACCELERATED GROWTH**

Mr. Speaker,

Honourable Members of the Lagos State House of Assembly,

It is a great honour and privilege for me to present the Y2009 budget estimates to this Honorable House. In doing so, I sincerely thank members of the Lagos State House of Assembly for working constructively with the executive to achieve the objectives of our Administration. We have clearly articulated our vision and have been very focused in the pursuit of our goals. Our objective is to transform Lagos into Africa's model Mega city; to build a world class city state that is clean, secure, livable, functions efficiently and enables the people to express their potentials.

Over the last 500 days since our assumption of office, we have worked tirelessly to deliver on our mandate through the rigorous implementation of our Ten Point Agenda. The budget is one principal instrument for achieving our objectives and our administration takes the budgetary process very seriously. The emphasis of the Y2008 budget on capital expenditure reflects our determination to overhaul our infrastructure and create the requisite framework for accelerated and sustainable development.

We have run government like a public corporation and closely monitored the implementation of the budget by holding a fortnightly revenue meeting from January to date and a quarterly review meeting of performance and enforced budgetary compliance. As at the end of the first quarter, the overall performance of our Budget was 60%; at the second quarter it was 70.65%; while at the third quarter it was 71.145. The trend of our Budget performance has been progressively upward and we are optimistic to close the year with a performance level of at least 80%.

This objective informed the re-ordering of our budgetary allocations, which this Honorable House recently enacted. An overview of our performance in the current year shows that our efforts are yielding positive results as we made commendable progress in the implementation of our Ten Point Agenda. Although the progress of your government and the budget implementation has been constantly reported in our 300, 400 and 500 hundred day progress reports, I will again briefly review some of our performance highlights for the year.

### **Road Construction and Rehabilitation**

I have always maintained that the quality of our transportation especially our roads, will have an enormous impact on the standard of living of our people in so many ways. It will affect their health in the number of hours they spend commuting from place to place; it will affect how much they have to spend on other necessities of life and how affordable the prices of goods and services can be delivered to them.

This is why, Mr. Speaker, Honourable Members, during the presentation of the year 2008 budget, I said that a number of strategic roads have been identified for construction in Phases. I am happy to state that we have commenced work on the first phase of majority of those strategic roads as promised. Altogether over 400 road contracts have been awarded by this administration and contractors are visibly at work in diverse locations across the state.

Among these are the reconstruction of the Murtala Muhammed way (Yaba – Iddo), Herbert Macaulay way, Aje Street, Commercial Avenue, Commercial Road, Montgomery Street and old Yaba Road on Lagos Mainland. Work is equally ongoing on the construction of Okota - Itire Overhead Link Bridge and Road works, Ajah - Badore Road; LASU-Iba road in Ojoo; Bourdillion-Alexandra- Gerrard- Osborne Roads in Ikoyi; Old Ota Road Phase II, Agodo Community Road, Shasha Orisumbare street and Ejigbo Association Avenue in Ikotun; and Ijegan - Isheri Oshun Isolo Roads. We have completed the second phase of Adetokunbo Ademola road on Victoria Island while we have awarded the design contract for the construction of the Admiralty-Alexander (Lekki-Ikoyi) link bridge.

Equally under construction are the dualisation of Mobil Road and Wilmer Crescent in Apapa; construction of a road network in Epe; construction of Ijede-Egbin Road and Rotimi Odusanya Street in Ikorodu; construction of Alasia- Aiyetoro Road, Ijanikun; construction of Ikosi Road, Iba; as well as Ogunoiki, Sule Abore, Oodu Odogunyan-Odonla, and Uniyu roads all in Eti Osa.

In line with our express commitment, we have commenced work towards the transformation of the Lagos- Badagry Expressway as a ten-lane modern international high way. The design work is being completed. We are building roads and bridges in Ajegunle to connect communities that have for many years have been separated, while work has started on OPeloyeru and other roads in Orile Iganmu.

Our roads are of the highest quality. Not only are they equipped with service ducts, our drains are no longer bricks laid but reinforced concrete to ensure the durability of the roads. We wish to salute the various organizations who partner with the Lagos State Infrastructure Maintenance and Regulatory Agency (LASMIRA) to ensure that in case of inevitability of Tar-cut they have a plan for rehabilitation of the affected road, and urge others to emulate them so that we can get the best value for our roads.

### **Transportation**

As an administration, we are committed to the intermodal mass transit option. Today, the take off of the Bus Rapid Transit (BRT) scheme is a success story. In response to the acceptance of the idea by Lagosians, we have moved to increase the fleet. The number of high capacity BRT buses has been increased from 126 to 246 with a capacity to transport 180,000 persons daily. Plans are afoot for the extension of the BRT to other parts of the state. Part of the 200 new buses, which we ordered have started arriving at the ports to further increase capacity.

During the year, contracts were awarded for the rehabilitation and construction of jetties, dredging of the waterways and other infrastructure in readiness for the implementation of efficient private sector operated ferry services. They include the construction of standard terminals at Ikorodu, Badore and Osborne as well as the dredging and channelization of the following ferry Routes:

- (i) Ikorodu – Badore via Oreta, Baiyeku and Ijede;
- (ii) Ikorodu – Osborne;
- (iii) Badore – Lekki;
- (iv) Oke Afa – Mile 2;
- (v) Tolu/Ajegunle – PortNovo Creek – Liverpool and
- (vii) Planned repairs of Epeme and Iya Afin jetties

We are also working with the Federal Government with a view to taking over some of their disused jetties for rehabilitation and deployment. Lagos State indeed has an immense potential in this regard. We have accordingly established the Lagos State Waterways Authority (LASWA) to oversee government programmes in this area and regulate operators.

The third leg of our mass transit is the light rail option. With the design of the designated corridors nearly completed, we will soon be able to commence construction of the first route. Very soon I will be leading a delegation to Dubai and London on a road show to market operators to invest in the provision of the coaches that will service the project. The World Bank has pledged its commitment and support for the actualization of the project. The designated routes for immediate implementation are the Agbado-Iddo – Marina and Ojo/Okokomaiko to Marina. An additional five routes have been identified for future construction, namely:

- (i) Marina – Lekki
- (ii) Ota/MMA – Iddo
- (iii) Redemption Camp – Ojo
- (iv) Redemption Camp – Marina
- (v) Mile 2 – Marina

It is our firm determination to actualize the vision of an efficient modern multi-modal transport system within the shortest possible time.

## **Traffic Management**

The effective management of traffic during the recent two-month partial closure of the Third Mainland Bridge underscores our improved capacity in this regard. I thank all the Federal Government agencies that worked closely with us to manage traffic during the repair and rehabilitation work on the critical bridge. I am also grateful for the patience and understanding of Lagosians during the difficult period and even now as we have partially diverted traffic on a portion of the Apapa-Oshodi Expressway for the on-going construction of the Okota-Itire link bridge. As I promised you earlier in the year, the construction of this critical link bridge, which will effectively connect seven local governments, is now under way. As a government we will not relent in our efforts to ensure that traffic moves as seamlessly as possible on our roads.

We have established the Drivers Institute to ensure the certification and re-orientation of Drivers of private and public transport vehicles in the state. This will surely significantly improve our road culture. Four of the five World Class Driver's Education Institutes equipped with Eye Testing equipment, simulators and Biometric equipment have been completed.

We have increased the operational zones of the Lagos State Traffic Management Authority (LASTMA) from 14 to 20 while also providing additional logistic support such as 50 High powered Motto Guzzi bikes, 16 operational buses, 2 Heavy duty mobile car crushers for abandoned vehicles, five motor car tow trucks and 26 medium tow trucks". This is in addition to upgrading its communication infrastructure.

Road infrastructure also feature prominently in our programmes as we undertook the provision of 21 Bus laybys, medium Barriers, Crash prevention and Guidance facilities, Traffic lights, junction improvement, Road marks and signage and road studs across the state. We have also undertaken road improvement in such areas as Odo Iyaaloro underpass, descent of Anthony Bridge, expansion of Town Planning Way, Mobolaji Bank Anthony Way, additional lane at Otedola underpass, improvement of Old toll gate road and the provision of a U-turn to link Ahmadu Bello Way through the Army Officer's Mess, Onikan, opposite the Muson Centre to relieve the gridlock around Tafawa Balewa Square through to Marina.

Continuous reviews have shown that break downs constitute a very high percentage of the daily traffic congestions. I therefore call on all road users to complement our efforts by keeping their vehicles in road worthy conditions through periodic maintenance at all times even as we are finalizing plans to review and re-invigorate the MOT vehicle testing scheme.

### **REGULATION OF OPERATION OF COMMERCIAL MOTORCYCLES (OKADA)**

It has become imperative to enforce existing Laws and Regulations guiding the operation of motorcycles as commercial transportation – popularly known as “Okada”. We recognize the service that these vehicles were intended to provide, including mobility and easy transfer from one place to another. However, it is necessary to alert the citizenry of the obvious exploitation of these operators and the substantial dangers inherent in engaging the services of uncertified, unregulated and in many instances unknown, transient riders who often have little or no verifiable connection with Lagos State or the locality within which they operate. They ride with multiple passengers and cargo and violate traffic laws at will.

From all reports it is evident that “Okadas” provide effective transport for criminal gangs to perpetrate offences such as armed robbery, stealing as well as harassment and intimidation of innocent residents. They also present serious challenges for surveillance by law enforcement agencies in a state with our size and population. Indeed our hospitals testify to the needless loss of human life, grave and sometimes permanent injuries sustained from accidents caused by lawless motorcycle riders.

In the interest of public safety and security, this menace cannot be allowed to continue unabated. The present practice of impunity by Okada riders where a flagrant disregard of existing road traffic laws and regulations is observed will now be met with strict enforcement. The appropriate agencies will continue to enlighten the public on permissible and lawful conduct for law abiding citizens. However, the immediate and continuing enforcement of the law through the criminal justice system will henceforth be robust, firm, sustained and unrelenting. We will not allow people to do business at the expense of other people’s lives, safety and comfort.

For the avoidance of doubt, the provisions of the Road Traffic Law, Lagos State Traffic Management Authority Law, the Bus Rapid Transit 'Lite' Regulation and the Motor Vehicle Registration and Administration Authority Law all regulate the operation of Okada in Lagos State. In keeping with my constitutional duties, particularly section 5 (2) (b) of the constitution, I have given Executive Orders restricting the movement of motorcycles during certain hours in specified areas, namely Ikeja, Ikoyi and Victoria Island. This will be strictly and rigorously enforced.

I have directed all relevant government agencies including the police, LASTMA, the Special Traffic Mayors, KAI, Monitoring Team on Special Offences, the Ministry of Transportation and the Ministry of Justice to ensure due enforcement of all Laws and Regulations guiding the operation of Okada in Lagos State. We solicit the support of members of the public to ensure that the menace constituted by lawless motorcycle riders is brought to an end.

The use of siren has also constituted an unacceptable slur on our traffic management system. I have successfully demonstrated that you need patience and not the siren to negotiate through traffic in Lagos. I seek the cooperation of all and sundry to demonstrate its benefits including visiting governors and other public officers. Let us all get rid of these nuisance on which we spend millions of our hard earned money to keep the producers in Europe and America in business while we use it to terrorize the tax payers who we serve.

#### **The Environment:**

Because of our determination to have a sustainable environment, we have aggressively embarked on the promotion of a culture of greening Lagos. The success of our landscaping and beautification exercise is self-evident in such areas as Outer and Inner marina, Falomo Cloverleaf, Mobolaji Bank Anthony way median, triangular laybys between Obankoro and Palm grove on Ikorodu Road, Ijora Causeway, under the bridge at Ijora Olopa, Isheri- Oworonsoki median, Oworonsoki loop, Airport and Ojota loops and Ikeja Roundabout to mention a few.

This initiative has been extended to all public schools in the state through our school advocacy program.

Lagos state today stands on the threshold of mitigating the negative consequences of climate change. We have moved to ensure that at least 1,000,000 trees are planted during our tenure as we have launched the tree planting campaign. In addition to this, we have taken measures to stop the indiscriminate felling of trees in the state. About 3088 species of trees have been identified and appropriate action taken for their protection. As a corollary, we have also gone to our schools to launch the Climate Change Clubs, as method of inculcating in our youths the value of understanding and appreciating our environment.

#### **WASTE MANANGEMENT:**

The Lagos State Waste Management Authority (LAWMA) during the year acquired 50 new operational vehicles while another batch of 50 vehicles will be delivered to the agency shortly. 40 new roll-on-roll- off trucks have also been acquired by the agency. This has improved the capacity of the organization to manage public waste. During this period, we undertook the upgrading of the Olusosun land fill site at Ikeja, procured 240 waste collection trucks and three giant landfill compactors and introduced Dino bins in 2000 locations across the state. We also commenced the construction and equipping of 3 out of the planned ten transfer loading stations and these are at Simsin, Ogombo and Yaba. This is in addition to the on-going development of three land-fills at Ibafo, Ikorodu and Badagry. Again, we approved the supply of 1,986 units of 1,100-litre galvanized steel bins on wheels to all the schools in the state and we have gainfully employed thousands of our men and women and young people who work day and night to sweep and clean our streets. The progress that we have made in making Lagos cleaner demonstrates what can be achieved. We want to keep people employed to give us a clean city and household can help us by promptly paying their refuse collection bills. There is no secret in a clean and healthy State. It requires a clear plan which we have, it requires men and women to do the job, whom we have found, it requires funding to operate it, which we asked you to give us.

#### **FLOOD CONTROL**



As a coastal city, we face the challenge of managing flood especially when many people continue to misuse the various canals as waste disposal bins. As a palliative to the incessant flooding we have dedicated ourselves to the construction, dredging and cleaning of the Canals and some waterways. They include:

- Construction of Gbagada/Aturase Trapezodial channel;
- Construction of Ososa/Ifelodun/Ariobadade collector Drain;
- Construction of sheet pile and construction of MacGregor trapezodial channel;
- Lining of Oko-Oba Canal;
- Dredging of Ologolo Canal;
- Maintenance of Brown/Oshodi Canal;
- Dredging of Guinness downstream;
- Dredging of Chinatown/Lancaster Drainage;
- Dredging of Airport Mafoluku/Ajao Estate Channel;
- Cleaning of system 2;
- Dredging of NTA Tejuosho to Alaka/Railway compound to Ojo Oniyun to Olaleye and
- Rehabilitation of Oduduwa Collector to mention a few.

We have also embarked on various reclamation projects to ensure Erosion Control in Omole Phase 1, Ayetoro and Obafemi Awolowo way, Ikorodu to name a few.

#### **BAR BEACH RECLAMATION AND RESTORATION**

With the successful completion of the sea defense wall to stop the ocean surge along the Bar Beach, work has now commenced on the Eko Atlantic City project that will transform the area

into a major commercial, residential and business hub in Africa. The project, which was graciously flagged off by Mr. President in April is slated for completion by 2015 and is envisaged to be the largest civil works project ever undertaken in Africa.

#### **PHYSICAL PLANNING AND SLUM UPGRADING:**

Last year, we witnessed a series of building collapse and I promised that we will find an enduring solution. Since I made that promise, we have worked day and night, consulting with all stake holders and we are in the final process of developing an urban development and town planning procedure that will put an end to building collapse by involving all the stake holders. In the interim, the tighter controls and very close scrutiny has ensured that this year, more than before, we reduced drastically the incidence of building collapse in our state.

We have approved the immediate implementation of the comprehensive proposals of the Technical Committee on Planning Regulation and Building Control, which I inaugurated in June this year. Aside from the Lekki Master Plan which we have unveiled, work is ongoing on the Master Plans for cities like Surulere, Apapa, Badagry, Ikorodu and Alimosho among others. We are undertaking all of these to ensure that our vision of a well planned state is met.

Let me use this opportunity to appeal to all citizens to join our efforts in beautifying our state by painting their houses regularly. Their efforts in this regard will assist us enormously. I must also point out that there are a number of buildings that have outlived their useful structural life. I appeal to the owners of these buildings to voluntarily bring them down by applying to us and re-develop them. This will save them from the compulsory acquisition provisions of Section 74 of the Town Planning Law that empowers the state to acquire collapsed buildings. Some property owners who fall into this category have already taken this commendable step.

During my presentation of the Y2008 budget, I stated that our administration would commence the upgrade of slums mainly through the Lagos Metropolitan Development and Governance Programme (LMDGP). I am happy to state that the exercise is up and running. Communities in Agege, Ajegunle, Amukoko, Badia, Iwaya, Makoko Ilaje Bariga and Ijeshatedo are already being

covered. When they are fully actualized the areas will serve as growth poles for the Lagos megacity.

We will continue to insist on compliance with building codes and physical planning regulations. Loss of lives occasioned by collapse of building, fire disaster, flooding are avoidable if and only if we will obey the laws.

## **LAND USE CHARGE**

In the preceding year, the pace of property enumeration for Land Use Charge was stepped up considerably. Concrete plans are now in place to further extend the coverage and attendant benefits of the charge to other areas in 2009. The Land Use Charge Law is, of course, one of the tools we are using for the dual purpose of promoting infrastructural development whilst also reducing multiplicity of taxes in Lagos State. In Canada, the United Kingdom, the Netherlands, South Africa and virtually all countries of the world, property taxes of this nature are charged on real property based upon its value and usage. The proceeds go towards the improvement of roads, drainages and other local infrastructure as well as public health and educational facilities.

At the moment, Lagos has one of the lowest property tax rates in the world. In other cities like Cape Verde, the rates go as high as 0.075% while Costa Rica has a rate of 0.25% and New Delhi stands at 6%. Also, property taxes account for a substantial percentage of city budgets around the world ranging from an average of 20% in India and over 50% in many Canadian cities.

In Nigeria, property taxes have existed in different forms for several decades. Lagosians will recall that before 2001 when the Land Use Charge Law was first passed, property owners were obliged to pay Ground Rent and Neighborhood Improvement Charge to the State Government and Tenement Rates to their Local Government Councils at different times each year. This necessitated three different bills and three different processes, which made compliance both cumbersome and costly for taxpayers. It also created an irregular situation in which different valuations were used for the same property by the two levels of government concerned.

Apart from glaring problems of administrative efficiency, the tenement rate valuations had at this time become grossly outdated. To compound matters, the Local Government Councils, because of financial constraints, found it difficult to commission fresh valuation exercises. The Land Use Charge was therefore a new cooperative effort between the State Government and the Local Government Councils, which saw all property related taxes in Lagos State consolidated into a single charge. This combined charge offered the triple benefits of cost efficiency, ease of administration and taxpayer convenience.

However, at the initial stages, the new property valuations gave rise to assessments which were higher than what people were used to paying. Following representations made by taxpayer groups, government decided to grant relief to taxpayers by conceding a substantial reduction of rates, going as low as 0.0375 for owner occupied residential properties and 0.375 for commercial properties. Government also pledged that the new rates would apply for a continuous period of seven years commencing from 1<sup>st</sup> January 2002.

These rates are now due for review and our administration is working with professional valuers to carry out the exercise. We crave the understanding and cooperation of Lagosians in the continuing implementation of this and other taxes as they constitute the only way by which we can achieve the rapid development that we all wish for.

On our part, we shall continue to ensure that prior notices are given to property owners before the enumeration exercise. Enumerators will refrain from entering the interior of your buildings and at all times they will wear clearly identifiable uniforms. We shall also continue to attend promptly to all complaints, including objections to property valuation or classification. We hope that you will help us to reduce errors by promptly supplying all the information required and paying your tax as and when due.

#### **EKO MICRO-FINANCE INITIATIVE**

As we promised, the Lagos state micro-finance initiative has taken off with the establishment of the Lagos State Micro-finance Institution (LASMI). In line with our objectives, a Memorandum of Understanding was consequently signed with five micro-finance banks to operate the

scheme. The first set of 5000 beneficiaries have been given credit worth N850 million to start new businesses or expand existing ones. Another set of 4500 graduates of our vocation and skills acquisition centers were equally empowered through the scheme to set up small scale businesses. We shall continue to systematically expand the scope of the Eko Micro-Finance Initiative as a platform for lifting millions of our people out of the cesspit of poverty.

## **JOB CREATION**

Job creation is sine qua non to the state's poverty reduction policy thrust. However, there is a limit to the number of jobs that government can directly create, especially given the current size of the public service.

The focus of our administration is therefore on creating the enabling environment for sustainable job creation by the private sector as well as the expansion of the entrepreneurial class. While other bigger economies across the world are shedding jobs by the hundreds of thousands, we have made significant achievements in job creation, which are evident in the following examples:

- 5000 employed as street sweepers;
- Over 2000 employed by the PSP operators for solid waste management;
- Over 2000 employed in the massive drainage and canal clearing works;
- About 3000 directly employed in the various greening and beautification projects including those employed in the supply chain;
- About 2000 drivers employed for the BRT operation;
- About 500 directly engaged in the Agricultural initiatives like Rice-for-Jobs;
- About 1000 additional staff employed by LASTMA and the Lagos State Fire Service by end of 2008;

- Over 9000 self-employed persons graduated from the state's Skills Acquisition programmes and received financing under the Lagos State Micro-finance Initiative;
- Over 10000 employed directly as construction workers on the various roads, bridges and housing construction projects;
- The upsurge in public construction works as well as some new regulations have created job opportunities for surveyors, architects, valuers, engineers, accountants and lawyers;
- Under the state's vacation job programme, about 10,000 young people were employed on our Enterprise Registration and Identification (ENTRIDA) scheme during the last long vacation period.

Our administration will continue to seize every opportunity to stimulate job creation on a massive scale, engage idle hands productively and enable more people gain freedom from the poverty trap.

## **EDUCATION**

Our administration has sustained the provision of free education in all public nursery, primary and secondary schools in Lagos State. In the same vein, we have continued the comprehensive rehabilitation of our School infrastructure. This year, we undertook the rehabilitation of 746 classrooms, completed 85 blocks of abandoned classroom projects while also undertaking the construction of 704 new classrooms at about N5.07billion. Our efforts also include maintenance intervention works on 712 classrooms, school walls, roofs and drainages.

We have spent a further N580million on provision of science equipment for both senior and junior secondary schools. Contracts have also been awarded to provide 20,800 pupil's dual desks, 3150 Teacher's desks and 90 principal's furniture. We equally procured and distributed about six million free text books for children at all levels in our public nursery, primary and secondary schools while also placing emphasis on training and retraining of our teachers.

Similarly, we have continued to provide necessary funding to sustain and maintain our tertiary institutions. However, a very serious problem here is the massive influx of students into Lagos

from all over the country to take advantage of the very low fees we charge compared to other state-owned institutions. A good example is the Lagos State University (LASU) where the pressure of numbers, due to the low fees, puts severe strain on available manpower and facilities with negative implications for the quality of teaching, research and the environment.

We are determined that LASU and the Lagos State University College of Medicine(LASUCOM) must rank among the best tertiary institutions anywhere in the world. This means that they must have world class teaching and research programs and attract the best teaching faculty across the globe. Since there are diverse areas of critical need competing for the limited resources available to government, we face the challenge of coming up with more realistic funding options for our tertiary institutions that will enable them produce the caliber of man power that will be respected internationally and positively add value to our society.

## **HEALTH**

In the health sector, our central policy thrust revolves around expanding and improving our capacity to provide curative health care at the secondary and tertiary levels while also emphasizing preventive care through the provision of primary health care especially for women and children. Apart from sustaining the provision of free health care for children under five, the aged above 60 and free ante-natal care for women, we have further expanded services of free screening and treatment for a number of silent killer diseases such as Tuberculosis, Diabetes, High blood pressure Prostate cancer and Breast cancer.

In the course of the year we strengthened our emergency services with the provision of ten new Mobile Intensive Care Units, 57 new ambulances for our health care centers at the grassroots and took delivery of a new Field Hospital, which is a standard hospital on wheels that can be deployed during emergencies to on the spot medical and surgical services. We have also strengthened our school health programme with the provision of mobile dental clinics to offer dental care to school children.

Let me also acknowledge the immense contributions of the Eko Club International, which has undertaken 5 Free Health Missions to the State within the last one year. Put together about

60,000 persons benefited from the exercise. We have further strengthened the popular Blindness Prevention Programme by designating seven secondary healthcare facilities as referral centers and equipping them with modern facilities. Such programs as the Cleft Lip/Palate and the Limb Deformity Corrective surgery continue to offer succor and hope to hundreds of indigent persons.

Mr. Speaker, Honorable Members, today we are making remarkable progress in changing the face of our various hospitals. From LASUTH to the General Hospitals in Lagos Island, Amuwo Odofin, Gbagada, Ajeromi, Isolo and Ikorodu considerable development is being achieved.

Among the projects we have started and are nearing completion include the 100 bed maternal and child health complexes within Ikorodu, Mushin, Surulere, Isolo and Ifako Ijaiye General hospitals; the 50 bed trauma and burn centre at the Lagos end of the Expressway and the staff clinic at the Secretariat, Alausa, Ikeja.

We have continued the transformation of LASUTH and LASUCOM into centers of medical excellence. Among projects undertaken at these institutions are the rehabilitation and equipping of wards, clinics and the 5 suite theatre complex and the provision of a car park, multipurpose sports complex, Animal House, Dental Centre, the Bola Tinubu 144 bed four storey ward, pediatrics/family medicine complex at LASUTH and award of contract for the procurement of thoracic endoscopy and pacemaker implantation equipment.

Having designated the Gbadaga General Hospital as LASUTH's annex, we have endeavored to upgrade its facilities. We have awarded the construction of a three storey, 80-bed trauma and burns centre as well as another three storey cardiac and renal centre at the Gbagada General Hospital.

We understand that a qualitative health care system is not just about drugs, structures, equipment and ideas. It is also and significantly so about personnel. We have therefore been engaged in training and re-training of our medical personnel and this we will intensify as we move forward. We are determined to make the necessary investment for the emergence of Lagos as a prime global destination for persons in quest of qualitative medical care.



## **JUSTICE**

For us the quality of laws is as important as the processes that facilitate their implementation. We have therefore continued to strengthen and indeed expand the scope of our justice sector reforms. Today work is ongoing on the construction of urban prototype Magistrate Courts at Ajegunle, Ikorodu, Igbosere, Ikeja, Mushin and Ogba. When fully completed, they will deliver about 200 new court rooms for our magistrates. New quarters for judges are also being constructed in Ikoyi.

We are currently training 65 court recorders who will provide automation in the recording of proceedings in these courts. A new magistrate's court law and rules of procedure to quicken the judicial process has just been sent to the Lagos State House of Assembly as an Executive Bill.

We have also fully operationalized the Bill of Sale Registry just as we have upgraded the Consumer Rights Protection Unit into a full-fledged Agency that provides for the economic well being of citizens. A People's Advisory Centre has also been established to provide our citizens with access to information and advice. A well equipped, properly motivated and trust worthy judiciary will continue to be the bedrock of democratic governance as well as a robust investment climate in Lagos State. We have awarded the contract for the construction of the Lagos Arbitration Centre to provide an alternative forum for resolution of disputes; especially commercial disputes.

## **PENSIONS AND GRATUITIES**

Pensions and Gratuities are a major plank of our staff welfare programmes. Since the take off of the Pension Reform Law in Y2007, which establishes the Contributory Pensions Scheme, we have dedicated ourselves to the prompt and efficient payment of contributions.

A few months back the bi-annual verification was done using the Biometric equipment that was recently acquired by government. I dare say that with the equipment we have entered the stage of a more effective and stress-free management of our retirees. Aside from the basic data this has afforded us, we are now able to undertake the verification of retirees at less than

a minute per person. With the completion of the exercise, we are at the dawn of commencing the e-payment of pensions.

## **ECONOMIC PLANNING**

Since 1999, there has been a major paradigm shift in the process of economic planning from the era of direct governmental participation in business. Lagos State has created an effective participatory planning process through partnership with the private sector in determining the policy directions of the state. The main vehicle for consummating this partnership is the Ehingbeti Forum, the fourth edition of which we held early in the year. The gains of that summit are unquantifiable. You will recall that we brought together service and solution providers, investors and strategists with proven records across the world. We are vigorously implementing the 48 resolutions passed at the summit.

Since accurate data is indispensable for efficient planning, the Central Office of Statistics has been repositioned as a Statistical Bureau and has been given the immediate target of calculating the State's GDP. The tentative figure I understand is ready while we await the full report of its calculation when the consultants finish their job. I am also happy to report that the Lagos State Records and Archives Board (LASRAB), the first public information warehouse in the state, has taken off with the deployment of its full complement of staff.

Mindful of the need to adopt best practices, we have subscribed to the "Growth Pole Project" a DFID/World Bank Investment Climate Programme to assist the state to address emergent challenges relating to doing business in Lagos especially in the area of trade facilitation, tax administration, lands registration and contract enforcement.

We urge prompt action by honorable members of this distinguished house on the Procurement and Fiscal Responsibility bill, which is already before you. Its passage into law will strengthen transparency, accountability and good governance even as we finalize plans very soon to unveil the LASEEDS 2 document. Let me also state that the Medium Term Sector Strategies on which we partnered with the SLGP of DFID has been extended beyond the pilot Ministries to embrace seven others. Also critical to our planning is the Medium Term Expenditure Framework (MTEF)

as a platform to ensure project completion within a medium term. This will from the coming year feature more prominently in our planning process.

## **COMMERCE AND INDUSTRY**

Lagos State has a very large informal sector. The actual size and their identification has for a long time eluded us making it difficult to plan effectively for them. We have thus pursued the Enterprise Registration and Identification programme (ENTRIDA) as a critical exercise that will assist us to ensure a robust database and also promote the culture of tax payment in the informal sector. The first edition of the generated information has been published as the Lagos Business Directory.

We have also commenced an audit of our industrial estates as a first step to rehabilitating and modernizing them. While a new industrial estate will soon take off at Imota, the first phase of the N6billion Ultra Modern Auto Market in Mowo will soon take off, while progress is going on with the construction of phases one and two of Tejuosho market, Oyingbo market, Iponri market and Oluwole market while Jankara market has also been awarded for reconstruction.

### **Housing:**

During this period, the Ministry of housing constructed 2000 housing units in seven locations across the state. Apart from direct construction, we are also utilizing the strategy of Public-Private Partnership to meet the housing needs of the state. In this respect, 27 Developers have proposed the construction of 20,000 housing units in ten different locations across the state. Under this arrangement, the government provides the land as equity while private resources are deployed to construct the estates. Necessary approvals have been given and work is under way in a number of them.

Government is currently addressing the problem of congestion created by high population density in the metropolis through the establishment of Satellite Estates in sub-urban and rural communities such as Agbowa-Ikosi, Ado, Imota, Epe, Igbogbo, Oke-Eletu and Ibeju. We estimate that these schemes will provide at least 20,000 new housing units for different categories of residents.

Mr. Speaker, Honorable members, it is impossible for me to mention all we have accomplished in the period under review. Let me however mention that we have commenced the aerial digital mapping of Lagos State through the Geographic Information System (GIS). This project, which is currently on-going, will provide a modern, scientific information data base of the physical features of Lagos to aid effective planning. We have equally introduced the pilot phase to herald the full scale use of information technology for the proper management of records in our schools and public health facilities.

Through our rural integration program, we have intervened in over 500 communities with the provision of rural electrification, micro water works, rural roads and other basic facilities. These include the provision of 314 integrated development projects in 38 contiguous rural communities.

To improve water supply in the state, we completed five micro-water works at Iwaya, Ojo, Badia, Oworonsoki, Otto-Awori and Igando. Out of the 15 water projects that we planned, we have awarded twelve and I am satisfied and pleased to report that that they are making expected progress and each of them which will deliver two million gallons of water daily will start reaching completion, I am told, from December 2008 through to January 2009.

As our local Government and Local Council Development Chairmen resume work, let me report that the N20 billion local government intervention fund approved in Y2008 budget has been faithfully implemented in various local governments across the state in road, school, water, drainage, rural electricity and other life changing programs across the state. We expect our Chairmen to continue from where we have reached so far.

We have continued the aggressive provision of street lights on major roads while commendable progress was made in tapping the potentials of marine agriculture in the state through the implementation of the Marine Agriculture Development Program (LSMADP). We have also awarded the construction of the new Agege stadium while the street soccer initiative has taken off in partnership with the private sector as part of our efforts to re-vitalize sports as a vehicle of socio-economic integration and development. A central objective in the implementation of our programs in all sectors is the generation of new jobs as a poverty alleviation measure.

## **Review of the Y2008 Budget**

We had appropriately tagged the Budget the 'Great Leap Budget' to reflect the depth of our vision and the magnitude of our aspiration. The Budget had a capital to recurrent expenditure ratio of 61:39. Our further reordering of priorities has further skewed the ratio in favor of capital expenditure. This is a state in a hurry. Not only must we change the face of the State's infrastructure but we also need to edge off inflation by concentrating on the valuable and expedient.

Mr. Speaker, Honorable, members it is appropriate to now review our current performance with a view to laying a proper foundation for our future plans. We recorded an overall Budget performance of over 71.14% as at the 3<sup>rd</sup> quarter year review. When this is measured on a prorated basis and projected to the end of the year, a performance level of 80% is achieved.

## **Y2008 Ordinary Revenue**

The Total Ordinary Revenue we realized in the third quarter period is N158.714billion out of the expected cumulative total of N178.074 billion. This represents 89.13 %. Out of this sum, IGR performed at 80% or N90.875 Billion; Dedicated Revenue performed at N6.872bn (159.48%). Equally the Federal Transfers performed at 101.06% having collected N 60.967billion of the anticipated cumulative of N60.327billion.

## **Recurrent Expenditure:**

A sum of N 96.580billion was recorded as recurrent expenditure at the third quarter period. This represents 80.67%. A further breakdown shows that Total Personnel Cost recorded N30.393billion while overhead cost amounted to N39.091Billion. This amount was applied for the overall smooth running of government. It is especially noteworthy that a significant amount here is attributable to the increased cost of diesel which is one of the unfavorable macro-economic variables we had to contend with. We expended N6.028bn (53.20%) as subvention to parastatals and the sum of N17.444Bn (104.87%) as public debt charge.

### **Capital Receipts:**

Total Actual Capital Receipt as at September 2008, stood at N66.995 billion or 363.61%. In specific terms, the following are noteworthy: Internal loans of N7.031 billion; Term Loans of N35 billion; VAT receipts of N24.026 billion and Capital contributions amounted to N7.226billion.

### **Capital Expenditure**

This Honorable house will recall that our emphasis had been to deliver immediate and fundamental developmental programmes which necessitated the extensive commitment to this segment of expenditure. We believe now, as we did then, that our challenge is to deliver on infrastructure. Accordingly, our profile here shows a planned expenditure of N182.831Bn out of which N115.263 (63.04%) was actually expended in the nine month period. The core capital segment recorded N108.572 billion while other areas like prime land and others show N3.279bn while Special Expenditure was N3.412billion.

### **Proposed Y2009 Budget**

Mr. Speaker, Honorable members it is with a sense of duty and absolute commitment to the transformation of Lagos State into a preferred destination of best practices and world class commercial centre that I present the Y2009 Budget tagged the **Budget of Accelerated Growth**. We have carefully planned this Budget not only to sustain the great leap of last year but even accelerate the tempo of infrastructural development of the state. This is critical to ensure the furtherance and realization of our Policy thrust of **POVERTY REDUCTION AND SUSTAINABLE ECONOMIC GROWTH THROUGH INFRASTRUCTURE RENEWAL AND DEVELOPMENT AND TO ENSURE FISCAL RESPONSIBILITY**.

The **BUDGET OF ACCELERATED GROWTH** proposed and presented to this Honorable House has a size of **N 405 Billion**.

### **Budget Focus**

I am proud to report that through the faithful and diligent implementation of the Y2008 budget of Great Leap, Lagos has taken a great leap and we are determined that this oncoming year will move Lagos further along the path of sustainable development. We will rededicate ourselves to roads and transportation infrastructure; environmental renewal and upgrading; infrastructure development; human capital development (health, education); expansion of water supply; public service reforms; capacity building for informal sector growth; poverty eradication; enhanced revenue generation; promotion of collaborative efforts with the private sector and the maintenance of public security and order.

### **Core Programmes**

Having articulated our various planning frameworks such as the TPA and LASEEDS as critical variables to fast track the Millennium Development Goals and growth, the following will receive our attention in Y2009. They are

- Infrastructure development – roads, bridges,
- Upgrading and maintenance of existing roads, bridges
- Implementation of integrated mass transit programme
- Comprehensive emergency management
- Flood control, greening, and beautification programme
- Systematic physical planning for sustainable development
- Improved solid waste management system through development of sanitary land-fill sites and transfer loading stations.
- Sustaining security initiatives, (law, order, and justice sector reform)

- Construction and rehabilitation of schools including laboratories and libraries
- Teachers' welfare enhancement
- Community –based vocational education
- Improved access free and quality healthcare
- Affordable mass housing schemes
- state-sponsored home ownership mortgage scheme
- Empowerment of farmers/fishermen for food production and processing
- Expansion/construction of new micro-water schemes
- Tourism development, social and youth empowerment through the renewal of sports and recreational facilities
- Facilitation of liberalized micro-finance scheme
- Integrated rural development

**TOTAL ORDINARY REVENUE: N288.963bn;**

The budget projects an **Internally Generated Revenue of N208.791bn** while other dedicated Revenue is estimated at N4.172bn. Federal Transfers amounts to N57bn and Extraordinary Revenue is N19bn. There has been a review of the accruals from the Statutory Allocation and VAT in line with the downward review of the Budget benchmark Oil Price to \$45.00

**RECURRENT EXPENDITURE;**

We propose a recurrent expenditure of N159.284bn. This is composed of:

- **Total Personnel Cost - N54.33bn**
- **Total Overhead Cost - N104.295bn which devolves as follows:**
  - Subventions - N17bn
  - Overhead Cost - N80.051bn
  - Transfer to other funds – N72 million and
  - Public Debt Charge of N3.000bn

**CAPITAL RECEIPTS**

This is estimated at **N42.202bn** made up of the following sub heads:

- **Other Capital Receipts- N37.580 bn;**
- **Matching Grants- N4.122 bn and**



- **Investment Income- N500million.**

### **CAPITAL EXPENDITURE**

Economic sector – N109.155bn (44.4%)

Social sector - N42.945bn (17.88%)

Environment - N42.735bn (17.32%)

Administration – N49.881bn (20.30%)

### **CONCLUSION**

We implemented the Y2008 budget within the context of very unfavorable macro-economic variables. These include persistent inadequate power supply, the attendant 2.1% drop in industrial production over the corresponding period in 2007 and a double digit inflation rate of 12% according to the CBN. I must however note with satisfaction the supportive disposition of the Federal Government, particularly the presidency, to progress and development in Lagos State.

The nation recorded marked increases in oil revenues occasioned by unprecedented surge in oil price spurred partly by disruptions to oil production in the Niger Delta region. Yet, according to the Human Development Index, Nigeria was placed 158<sup>th</sup> of 177 nations and remained classified as a low human development country with HDI value of 0.470. Our challenge is to translate the huge oil revenues into practical improvements in the lives of our people as well as do all that is possible to ensure that the global food crisis and the crisis in world financial markets do not compound the problems of our economy.

Indeed, as a nation we need more than ever before to put on our thinking caps and systematically plan our way out of poverty and underdevelopment at this critical point in world history. The fall in global oil prices will without doubt affect our revenue earning capacity given our excessive dependency on oil as the country's major revenue earner. It is likely that the intensification of the search for alternative energy sources in the west will limit our future capacity to earn jumbo revenues from oil. Now therefore is the time to begin to plan for a future without oil. The global financial and economic meltdown will indeed negatively affect financial flows to Africa in terms of loans, aid, investment and trade. But this cannot be an excuse to throw up our hands in despair or despondency. If countries without oil or other natural and mineral resources can break out of the vicious cycle of poverty, we surely can. All we need is courage, character, conviction and creativity.

The evident deepening of national poverty inevitably implies further pressure on Lagos as more people flock to the state from other parts of the country in quest of a better life. Yet, as crucial as Lagos is to the national economy, the state receives no compensation for the enormous responsibilities she bears on behalf of Nigeria. The revenue currently allocated to the state from the Federation Account clearly does not appropriately reflect the enormous contributions of Lagos to the national coffers through VAT, the

Petroleum Tax Fund, the Education Tax Fund and the huge revenues generated at the Lagos ports at tremendous cost to our environment and infrastructure. We will continue to advocate that Lagos be given a special grant to enable her maintain and improve the infrastructure that services the national economy. This is not a favor to Lagos but a right which she deserves as a home to people from all ethnic groups in the country. The earlier it is realized that, as the dynamo of the national economy, every investment in the infrastructure of Lagos is an investment in rapid economic growth for Nigeria, the better for us all.

I call on the Federal government to expedite action on the implementation of the power sector reforms since uninterrupted power supply is a necessary condition for economic recovery and growth. It is critical to actualizing the Vision 2020 agenda. We will do everything to support complete deregulation of the power sector as fast as possible while also exploring the options of alternative energy sources for Lagos State including solar and wind energy.

Our investment in security has borne positive dividends as the crime rate has dropped appreciably in Lagos State. I must thank the private sector, which has continued to demonstrate great support for the Lagos State Security Trust Fund. However, we still have a long way to go and I urge for more contributions to the fund to enable us continue to enhance the capacity of the security agencies to safe guard our lives and property. We will continue to explore Public- Private-Partnership strategies in the provision of infrastructure, social services and the conversion of our challenges to opportunities within the context of scarce financial resources. I am very grateful to members of the organized private sector in all ramifications who have responded to our call to partnership and shown a great and uncommon civic engagement with our government as I also express appreciation to all the security agencies for their commitment and support.

I am happy to report that the restructuring of the Lagos State Internal Revenue Service is yielding the desired result and helping to consolidate and improve on the internal finances of the state. I thank all those in the formal and informal sectors who have heeded our call on the need to meet their tax obligations. We shall continue to campaign for all of us, individuals and corporate citizens, to pay our taxes voluntarily and promptly to enable government live up to its responsibilities to the people. On our part, we shall continue to utilize public resources prudently and with integrity to achieve rapid development of Lagos State.

Let me also thank all workers in our Ministries, Departments and Agencies for identifying with our vision and working very hard to help achieve our set objectives. We have no doubt made considerable success but we are not where we want to be yet. There is still so much work to do and we cannot allow complacency to set in. As we move forward, we will intensify the ongoing public sector reforms to enable better and more efficient delivery of quality services to the public with transparency, integrity and accountability. I urge all our workers to embrace the spirit of change and constantly improve on our skills, attitudes and values in the public interest.

I am grateful to all the Honorable members of this House for your support, patience and cooperation. I thank the leadership and teeming members of the Action Congress and our Royal Fathers for your unflinching support for your government. And I am eternally grateful to the people of Lagos State for the

opportunity and privilege to serve. I can assure you that we will intensify the pace of our work in the days ahead to improve and add value to your lives. For us, the reward of hard work is more work.

Your support, co-operation and belief have been our strength and inspiration to continue. Because memories may fade, I think it is important to go back a little bit and remind all of us the difficult roads we have successfully walked together, as hindsight for what we can achieve together in the next and coming years.

In September of 2007, we were compelled to shut down one section of the bridge linking Mile 12 to Ikorodu to enable us rebuild it so that it will not collapse suddenly and take innocent lives. Although it caused discomfort, we finished it before Christmas of 2007 as we promised you and it has continued to serve our people better and safer.

We collaborated together to build part of Lekki-Epe Express way and Adetokunbo Ademola Street. While you endured the discomfort of the construction period, we did our best to work at night while we managed the traffic during the day.

Today, both roads have been completed; Lagos now has them delivered to the highest possible quality and the pain has been replaced with the pleasure of driving.

On the 2<sup>nd</sup> of August this year, we had to take the painful but necessary decision to partially close the 3<sup>rd</sup> Mainland Bridge and promised to complete the rehabilitation works in partnership with the Federal Government. You agreed to endure the discomfort; we kept our promise and delivered ahead of the deadline. Today, we have a safer bridge and the pain is gone.

Last year in December, Tejuoso market was unfortunately gutted by fire. We were advised to evacuate the whole market to avoid the disaster and possible loss of life that may follow a sudden collapse.

You agreed to work with us, and today, two markets, the old burnt section and the recently burnt one are simultaneously being rebuilt. Very soon we will be getting two brand new markets that are modern, safer and will be a pride to our state.

On September 21, 2008, with your cooperation, we walked an uncharted technological highway together. We achieved the first controlled demolition of a partially collapsed high rise building in Sub-Saharan Africa. Giving the go ahead for the final countdown of ten seconds for the BOI building to be demolished has so far been the most testing decision I have probably had to make. I found the courage in your support and belief. I will never take them for granted.

There are more challenging roads ahead that we must walk together if we must achieve the Lagos of our dreams.

I will be there at all times you look for me, never letting you down, giving my best at all times to deliver on your hopes and aspirations and I hope that every time I look behind me, I will find you there, because I can only lead, if I am being followed by all of you.

When we started last year, some people complained that we were in a hurry, that we were running a marathon of four years like a sprint. I am happy and proud first to say that we did so. The global credit crunch reinforces my view that we were right in our strategy because the opportunities are dwindling, the price of oil is coming down but we have invested wisely in infrastructure and the gains will be enduring.

The size of our challenges has outgrown our traditional sources of revenue. We cannot use the same tools to get new results. We will expect more cooperation from all taxable persons, artisans, professionals and corporations who are liable to pay taxes to us to do so promptly and voluntarily. Because of the dwindling prices of oil, the National benchmark for the Federal budget has been reduced from \$59.00 to \$45.00 in the 2009 budget. Although we have kept almost the same size of budget, our expected revenues from the federal purse have significantly diminished. We believe that with prompt and full payment of taxes by all taxable adults, we can bridge this funding gap.

However, we must continue to sprint through this marathon, to cross the Rubicon, before the door of opportunities close in a possible global recession.

This is why we must do a lot more than we did next year. This is why we must sacrifice more, invest wisely, forebear expectantly so that we can reap bountifully.

We will take more courageous and seemingly difficult decisions. We mean well and intend to do well and will consult with you as best as possible, but we assure you that this is all about you and less about us.

The other road is one we cannot afford to walk. This is the road of inactivity, excuses and failure. It is the road to poverty. The road we have chosen and promised is the road to prosperity. It is the more difficult road, but because of you, we dare to walk it if you will go with us.

It is the road to the brighter rewarding future. It is the road that ensures that Eko O Ni Baje.

An ancient monarch of the Egyptian Empire, Amenhotep IV, once rightly declared that “the glory of a king is in the welfare of his subjects”. In the same vein, the fulfillment of a democratically elected government lies in the happiness and well being of the people. This is why we have a single minded commitment as an Administration to liberating our people from the bondage of poverty, disease, ignorance, joblessness, homelessness and other limitations that detract from the dignity of man. We have the privilege and unique opportunity to actualize the immense potentials of our state and launch her on the part of irreversible prosperity for the benefit of our people. We will optimally utilize this opportunity to leave indelible imprints on the landscape of Lagos State.

We live in very challenging times that task the ingenuity of nations and their leaders. In a highly competitive globalized world, visionary, competent and audacious leadership that inspire a people for greatness can make the difference between the wealth and poverty of nations. The current global financial crisis has reinforced clearly the indispensability of wise and courageous leadership for national greatness. We have seen giant economic organizations-banks, insurance companies, mortgage firms collapse in the twinkling of an eye. We have seen millions lose their life investments and plunged into

economic despair. And we are seeing in several countries the ability of strong and determined leadership to offer hope in times of despair; to give people a reason and a purpose for living when all seems lost. Indeed so critical is leadership that the whole world keenly followed the energy, passion, time and resources that Americans invested in the rigorous process of electing their new President.

More than ever before, the world needs leaders who will lead with compassion, courage, wisdom and intelligence; leaders who can see tomorrow today and take proactive steps to save their people from future dangers; leaders who can inspire their people to strive for the best that lies within them in spite of daunting odds. In particular, countries like ours, with so much potential begging for fulfillment requires leadership of the highest quality. It is that committed, honest, creative, sacrificial, courageous and audacious leadership that our Administration promises Lagosians as we continue on our collective journey to actualizing the clean, beautiful, secure and prosperous Lagos of our dreams.

Thank you. God bless you.

Long live Lagos State.

Long live Nigeria.

Eko O Ni Baje!