

**YEAR 2016 BUDGET PRESENTATION BY HIS EXCELLENCY, MR. AKINWUNMI AMBODE,
GOVERNOR OF LAGOS STATE AT THE CHAMBERS OF THE LAGOS STATE HOUSE OF
ASSEMBLY, ALAUSA, ON THURSDAY, 17TH DECEMBER, 2015.**

PROTOCOL

In my inaugural speech of 29th May, 2015, I promised to make Lagos work for all; no matter your age, gender, tribe or status. As a government, we have been guided by this promise in our decision making and much more.

Today's presentation of Year 2016 budget is 1another demonstration of our resolve to continue to work towards our vision of a Lagos that works for all. Year 2016 budget has been developed in collaboration with our people at the centre of planning and decision making. I am therefore happy to let you know that this is the **people's budget**; tailored towards the realisation of our vision and mission for Lagos State.

I thank our hosts, the Rt. Hon. Speaker, the principal officers and Members of this Hallowed Chamber for their co-operation and dedication in handling the re-ordering of the 2015 Budget to conform to the urgent needs, yearnings and priorities of Lagosians. The ~~₦~~489.69bn Year 2015 Budget was reordered and signed into Law on the 23rd of September, 2015. The reordered budget comprised of ~~₦~~19.7bn capital expenditure and ~~₦~~5.7bn recurrent expenditure within the initial budget size.

Prior to the reordering exercise, the Year 2015 budget performed at 59% and 63% in the 1st and 2nd Quarters respectively. Sequel to the reordering, the government commenced diligent implementation of budget, and at the end of the 3rd

Quarter, as a standalone, performed at 69%, while the Cumulative Q3 (Jan - Sept 2015) performance improved to 65%.

I am positive that by the end of the last quarter, there will be a tremendous improvement in the performance because we have invested heavily on critical infrastructure development since the reordering exercise was completed.

I am also pleased to inform you that upon assumption of office, our government has introduced far reaching reforms targeted at reducing the cost of governance in order to channel more funds to provision of key infrastructure. The reforms and subsequent reorganization of the ministries, departments and agencies have resulted in savings which have been used to intervene in critical sectors of our state especially in enhancing security and road construction.

Mr. Speaker, Honourable Members, Distinguished Ladies and Gentlemen, we have worked assiduously since we assumed office to consolidate on the progress that this State has recorded since the return to democracy.

To reduce the deficit in infrastructure, this Administration has completed the construction/ maintenance of 18 major roads. The roads include: Bale Yehwenu Street, Aradagun, Badagry, Akinrinlo Street, Adenuja Kajero Street, and Ilara Palace Road all in Somolu LGA. Others include Babatunde Bakare Street, Palace, Oligbe, Shrine, Mosque, Back of Palace, and Eluku Roads all in Epe LGA. Other roads completed are Pa Olakesin Okeogun Street and Orioktuta Road, Owutu in Ikorodu LGA and Ailegun and Kike Adeyemi streets in Oshodi-Isolo LGA.

In addition to the above, construction works are on- going on 167 other road projects, notable amongst them are, Lagos- Badagry, Afa Nla road in Agege; while a total of 131 roads were rehabilitated through sectional resurfacing and overlay of roads spread across the State to stem road degradation, and the attendant traffic gridlock resulting in man-hour waste.

The health sector also received our attention with the injection of 26 new Ambulances, creation of 14 additional LASAMBUS operational points, the installation of X-ray machines at Ijede and Amuwo-Odofin General Hospitals and, the hand-over of the Ikorodu General Hospital Accident & Emergency Centre and Agbala Paediatric Health Centre, Ikorodu, just to mention a few.

Our commitment to education and UNESCO goal of 26% sectoral allocation to education remains very strong.

Distinguished Ladies and gentlemen, I am positive that we all appreciate the enormous responsibility this State carries and reckon that there is still much to be done to keep our promises to the electorate, the original owners of the mandate we bear. It is in this light therefore that, I humbly wish to lay before you the proposed 2016 budget.

The Year 2016 budget is the first full budget of our administration. Christened "The Peoples Budget", it will promote massive investment in Security, Transport/Traffic management, Physical and Social Infrastructural development and enhance job creation. We plan to use the 2016 budget to strategically build new infrastructure, while we continue to maintain existing ones. Wealth and employment creation will receive a lot of attention as we commence the implementation of the Employment Trust Scheme which will set aside ₦25billion over a 4 year period for job creation.

We have proposed a budget of ₦662.588bn for the 2016 fiscal year. This represents an improvement of 26% over the budgets of 2014 and 2015 respectively which stood at N489.6 Billion individually. The increase will enable our government to focus on the present challenges of security, traffic gridlock resolution including physical and social infrastructural development which has thrown up new challenges quite different from what we used to experience and have always known.

The total revenue estimate for 2016 fiscal year is ₦542.873Billion which shows that the balance of ₦119.714billion will be funded through deficit financing that will be 0.41% of the state GDP based on 2016 budget alone and a cumulative debt to GDP ratio of about 3%. The expansionary vision of our previous and current budgets, Medium Term Economic Framework (MTEF) and Lagos State Development Plan 2012-2025 require sustainable budget deficit financing and good debt management to aid implementation.

Notwithstanding, we have resolved to improve on our revenue to GDP ratio which is about 2% presently by broadening the revenue base of the State and bring more citizens into the tax net through automation of tax assessment, collection and administration. In future, an improved revenue base will ensure reduction in our deficit financing.

This budget is made up of the following:

Recurrent Expenditure - ₦278,909bn

Capital Expenditure - ₦383,678bn.

Our Capital to Recurrent ratio is 58:42 as against 51:49 in 2014 and 2015

- Total Personnel Cost/ Total Revenue is 23 %
- Total Personnel Cost/ IGR is 31%
- Personnel Cost as percentage of Recurrent Expenditure is 46 %

The breakdown of the Year 2016 Function Groups of the Budget in size and percentage are as follows:

		Total Expenditure	Proposed % Allocation
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SN	Function Group		
I	General Public Services	120,508,571,598	18.19%
ii	Public Order and Safety	28,559,021,841	4.31%
iii	Economic Affairs	211,043,408,183	31.85%
iv	Environment	53,043,599,505	8.01%
V	Housing and Community Amenities	62,713,091,867	9.46%
vi	Health	64,677,679,096	9.76%
vii	Recreation, Culture and Religion	4,636,917,054	0.70%
viii	Education	113,379,337,664	17.11%
ix	Social Protection	4,025,980,116	0.61%
	GRAND TOTAL	662,587,606,926	100.00

We have maintained a conservative approach in estimating our Federal Allocation. This is principally due to falling oil prices that was about \$38 per barrel at the time we finalized our budget.

Fiscal Federalism and according Lagos a Special Status will benefit the State as we implore the Federal Government to look into this as soon as possible. As you are aware, the Federal Government still owes Lagos State over ₦50billion expended on federal roads in Lagos state. We look forward to an early refund to enable us utilize the fund on other infrastructure that require attention.

Security

Lagos State is one of the fastest growing megacities and will continue to attract people from both the urban and the rural areas. A major challenge that confronts us now is making sure that the State is safe and secure for all citizens. Our Government within the first few months resolved to adopt a multifaceted approach at tackling this challenge.

In addition to what we have achieved recently under security, we would not relent in our efforts at making our State very secure for all residents and visitors in 2016. We will continue to support our Security Agencies with the necessary tools to fight crime and build on the existing cordial relationship with the Private Sector in ensuring that Security Trust Fund is efficiently utilized to make our State very safe.

Transportation

Mr. Speaker and the Honourable members of the House, in November, 2015, we commissioned a set of new air-conditioned BRT buses, signaling a new era in public transportation for our citizens.

The plan in Year 2016 is to fully operationalize our multi-modal transport system through the construction of new jetties and completion of works on the Blue-Rail line project from Mile 2 to Marina. We will deliver this project in Year 2016.

We will continue to intensify our campaign on compliance with the Lagos State Traffic Laws and encourage our road users to comply with the provisions of the Law but would not hesitate to apply the full measure of the Law on recalcitrant drivers and motorcyclists.

Environment

Our environment is dear to us; we must protect it for generations to come. Two major factors confront our environment; First is the increasing population with implications for solid waste management and Secondly, our location within the coastal belt region, guarantees that we experience flooding whenever it rains.

As a responsible Government, our strategy is to promote environmentally friendly habits among the populace, complete on-going drainage projects such as System 4 Drainage Channel, dredging of the Akinola River, de-flooding of schools, and erosion control projects in Igando, Ikotun, among others.

Health

“Health is Wealth” is a popular saying. This administration has decided that all our secondary health facilities must run efficiently. We would not relent in ensuring that our Primary, Secondary and Tertiary Health Facilities provide access to qualitative Medical care for our citizens.

We were indeed delighted when this Honourable House passed into Law the Medical Health Insurance Bill. I assure you that our administration will ensure its full implementation.

We would establish a Medical Park which will make Lagos State a key destination for Medical Tourism. We had also promised earlier, to deliver Ayinke House, our foremost facility for Mothers in the second quarter of Year 2016.

Education

In the fulfillment of our Party's manifesto, A-Meal- a-Day Programme in our Public Primary Schools will commence in Year 2016. This will be done in collaboration with the Federal Government who will provide 60% of the funding, while the State Government will match it with 40%.

This programme promises not only to improve the daily nutrition of our children, it will also create an economy of its own, with opportunities for job creation, income generation, poverty alleviation, and so on.

The State Government's intervention in Education will continue in the areas of Maintenance of Public School buildings/facilities, Provision of Basic Instructional Materials/ Free Textbooks for Schools and Mandatory Capacity Building Programmes for Teachers in Public Schools. We intend to launch an advocacy programme – “Kick Illiteracy out of Lagos” , starting from Year 2016.

I am happy to inform you that in 2016 we will develop our e-Curriculum, leading to the distribution of Ibile Tablets to students in our public schools. This revolution, at the Secondary School level, will set a new standard in our educational system, and further enhance the knowledge of our children to enable them compete effectively with their peers in developed countries.

Roads

One of the assignments that we have embarked upon is to regularly inspect the state of our roads to ascertain their conditions and ensure that they are motorable.

The Ten-Lane Lagos-Badagry Expressway is on course. We have awarded the contracts for fly-overs at Abule-Egba and Ajah to resolve the perennial traffic grid-lock along those corridors and they are expected to be completed in 16 months. We will also be working at Pen Cinema, Agege to efficiently resolve incessant traffic bottle neck caused around that axis. In addition we will be expanding the BRT Corridor at Mile 12-Ojota, while we will commence construction of new roads across the length and breadth of our state. We will place the completion on-going road construction projects and pedestrian bridges on our priority list in Year 2016.

Agriculture and Food Security

In the area of Agriculture and food security, our Accelerated Food Expansion Program is still focused on Rice production, Animal Husbandry and Root Crops.

We are collaborating with other states in the development of a commodity Value Chain, specifically for Rice Production. In Year 2016, we would invest more in Ayobo Fish Farm Estate at Alimosho to boost fish production and provide employment opportunities for our people.

We are at the 3rd Phase of the Agric-YES programme with the adoption of the Songhai Model at Avia, Igborosun in Badagry as well as acquisition of farm land in Oshogbo, Osun State. In order to secure ourselves food-wise, an Agric Park would be established in 2016.

In conclusion Distinguished Ladies and Gentlemen, to say that the dwindling oil revenues is affecting the revenues of the State and the Nation is to state the obvious. Our Internally Generated Revenue has been our saving grace in Lagos State but that does not imply that we are immune to the crisis rocking other States.

To continue to be above board, therefore, I implore all of us to make it a point of duty to pay our taxes appropriately as and when due. On our part, we promise that, this budget shall be implemented faithfully and in the best interest of Lagosians.

I wish you all a Merry Christmas and a Happy and very Prosperous 2016 in advance.

Thank you listening.

Itesiwaju Ipinle Eko lo je wa l'ogun

Akinwunmi Ambode

Governor of Lagos State