

GOVERNMENT OF EDO STATE, NIGERIA
2017 BUDGET SPEECH

Delivered by:

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Assembly, Benin.

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The Hon. Speaker

Hon. Members of the House

Distinguished ladies & Gentlemen

I wish to thank Mr. Speaker and the Honourable Members for giving me the opportunity to present the Edo State 2017 Budget Proposal for the gracious consideration of the Edo State House of Assembly. Allow me, Mr. Speaker, to use this opportunity to express my profound gratitude for the support and partnership of the since I was sworn in as Governor of Edo State. Mr. Speaker, this Budget which incidentally is the first for both of us has been carefully crafted to actualise the promises of my electoral campaign.

With the unfailing providence of the Almighty and the irreversible mandate of the people of Edo state, I'm here to lay out a trajectory for the immediate and long-term future of our roadmap to transform Edo state to become one of the most prosperous states in Nigeria.

Our 2017 budget therefore represents my faithful contract with all Edo people to consolidate on the progress which we as a people have achieved over the

last 8 years and to continue in our steadfast march to build a greater tomorrow for our people.

Let me use the opportunity to express my immense gratitude and that of ALL Edo people to my predecessor Comrade Aliyu Oshioh mole for his dedicated, inspired, fearless and indefatigable leadership, which has transformed our Great State and laid the foundation on which we will now build our future economic and political eldorado .

During my electioneering campaign, I declared that my mission was to achieve prosperity for our people by leveraging on the comparative advantages and key factor endowments of our great state. Specifically I promised that our will create economic prosperity and social stability by emphasizing agriculture and agribusiness value chain, entrepreneurship, investments in industries and technical & vocational skills. To achieve this rapid economic and social transformation, we must strengthen out institutions particularly the civil service, judiciary

and the rule of law, ensure environmental sustainability and give pride of place to culture and tourism.

Today we are confronted with very serious social and economic and difficult challenges as our country is faced with severe economic recession, with stunted economic growth, people losing their jobs; massive youths unemployment; with poverty and crime are on the increase, and our economy continues to be vulnerable because of our almost exclusive dependence on crude oil and imported goods.

Despite all the gloom and despair, the budget we are laying before you today seeks to define the pathway to our envisaged dreams.

REVIEW OF THE 2016 BUDGET

Mr Speaker as you are aware 2016 fiscal year was a particularly difficult one for the nation and Edo state. As a result of the sharp decline in the global price of crude

oil and the unprecedented vandalization of pipelines, the envisaged receipts into the federation account declined drastically.

In 2016, The Nigerian economy suffered major downturns and went into recession mostly due to developments in the global economy.

The Nigerian economy witnessed a sharp decline in global oil prices from a peak of over \$100 to slightly below \$40 which weakened our external reserves and the exchange rate and adversely affected inflows from the Federation Account. As a result many States in the Federation faced financial difficulties so much that they could not discharge their contractual obligations and pay salaries to their employees. Edo remains one of the few in the exception owing to our financial management reforms anchored on the two pillars of accountability and transparency.

All of these setbacks occurred in an election year in Edo state that witnessed a transition of power from the

Comrade Governor to my humble self. Provisional data on the implementation of the 2016 budget shows that as at November ending, the performance of the budget stood at 76%. We expect that the budget performance for 2016 will reach 80%.

2016 Budget Performance	Approved Budget	Actual (Jan - Nov)	% Performance
Receipts			
Opening Balance	1,356,270,122.00	1,243,247,611.83	
Share of Federation Account Allocation	50,000,000,000.00	45,833,333,333.34	91.7%
Independent Revenue of Edo Govt (IGR)	25,000,000,000.00	22,916,666,666.67	91.7%
Aids and Grants	4,000,000,000.00	3,666,666,666.67	91.7%
Capital Development Fund		-	
Loans and Debts	35,557,372,865.00	14,755,850,000.00	41.5%
Size of Budget	115,913,642,987.00	88,415,764,278.51	76.3%

A notable plus on the previous government was that we had 22.9 billion Naira from IGR out of our projection of 25 billion Naira for the fiscal year. In terms of expenditure, of the 10.5 Billion that was budgeted for infrastructure, 7.0 billion was actually expended. Our capital expenditure hovered above 50% across most sectors. Capital expenditure suffered as a result of delays in project formulation, the slow nature of election year and shortfalls in expected revenue. Our debt

management profile is also within the permissible threshold acceptable globally.

2017 BUDGET PHILOSOPHY

The crises we face today are not insurmountable, with focussed planning, discipline and faith in God, we can “develop a modern and progressive Edo State, where every citizen is empowered with opportunity to live life in its fullness”. I am honoured to present to you today christened “Consolidation and prosperity”.

The policy directions of this budget are largely informed by my interactions with Edo people during my campaign which was validated in a strategy dialogue comprising political, religious and traditional leaders, professionals, civil society, women and youth groups. The policy bedrock of the 2017 budget rests on Economic Revolution, Infrastructural Expansion, Institutional Reform, Social Welfare Enhancement, Culture & Tourism

and Environmental Sustainability. These are the pillars which - if pursued with uncommon focus, will help us build a new society, create new jobs, new opportunities and wealth - and usher in a new era of prosperity for all.

PRIORITIES OF 2017 BUDGET.

Edo State Government's priorities in 2017 will include a continuation of ongoing Infrastructural projects from 2016 plans. It would include Institutional Reforms to better prepare the civil service for optimal service delivery. In this regard, we will revamp the working environment of public officers, emphasize training and seek to improve the incentive structure. Specifically the Secretariat buildings will be renovated and government offices will be relocated along the secretariat axis. We would also build a new Central Administrative Building in Government house. We are convinced that a conducive work environment would help revolutionise service

delivery to the people and increase returns due to government.

In order to achieve our promise of a minimum of 200,000 jobs within 4 years, our Job Creation strategy through series of outlined programmes including partnering with private identified private sector investors to recruit and offer training to out-growers and anchor farmers in specific crops where we have secured off takers. Revamping The Benin Technical College and several other technical and vocational training schools across Edo State and linking these schools under the TVET arrangements to private businesses and industry. We will invest significantly in human capital development of our Teachers, Civil Servants and health workers.

In this budget we are paying greater attention to Law, Order and Security, through more allocation to the judiciary and implementing an Edo state security plan which will involve community policing.

For us to grow our state economy, we shall engage our people more and explore ways to assist in making them more productive, for herein lies our prosperity; the prosperity of our people. We shall therefore take deliberate steps to improve the ease of doing business in Edo state, but drastically reduce the bottlenecks currently experienced by business people. Time limits will be set within which citizens can and should obtain permits such as building approvals, C of O, licences etc from MDAs. We will establish a business bureau in the office of the Governor to co-ordinate and give effect to these government initiatives

In 2017 we shall engage in robust budget reforms to ensure better budget monitoring and implementation. We would explore and prepare for Zero Budgeting policy to align our developmental aspiration with our budget and planning mechanism. We would also take a good look at the Treasury Single Account (TSA) policy to better manage our public finance.

THE 2017 BUDGET ESTIMATES

Mr Speaker, our proposed budget for 2017 which we have christened the “Budget of Consolidation and Prosperity” is wrapped around the six key policy areas.

Mr Speaker, we have proposed a budget size of N150,011,831,079 Billion which is a nominal 29% increase over 2016 budget estimates made up of N74,900,297,917 as Recurrent Expenditure and N75,111,533,162 as Capital Expenditure. The revenue estimates are based on a \$42.0 bench mark for crude oil and average daily production of 1.9mil barrels per day and expectations of improved performance of Internally Generated Revenue.

Hence we will maintain a balance of capital to recurrent expenditure (50%: 50%) in line with our plan to spend our way out of recession

This Budget would have a deficit of N25 Billion for 2017 which is within the acceptable threshold. The deficit will

be funded mainly by external borrowing from the third tranche of the World Bank budget support facility.

The six key policy areas of the 2017 budget are summarised below:

Economic Revolution:

In our determination to create deliver on our mandate by Edo people to stimulate the creation of over 200,000 jobs, the State Government seeks holistic development through sustainable economic growth, to generate reliable employment opportunities and ensure citizens' empowerment.

We will also create wealth through entrepreneurship development, anchored on access to capital, technology and skills development.

We have therefore set our agenda to embark on massive economic revolution to be driven by optimising our potentials in agribusiness and industrialisation.

Specifically, we will establish a one-stop-shop Business and Investment Bureau to identify growth opportunities and incubate projects that will transform the economy of Edo State in the areas of:

Agribusiness;

Electricity Generation & Distribution

Extractive Industry Development & Expansion;

Micro, Small and Medium Enterprise (MSME) development

Skills Development and productivity enhancement

Tourism, Culture, Leisure and Hospitality

Health Care Services

Utilities; and any other areas where we are positioned to be competitive to meet market demands.

To this end, we propose to invest N 22.2 Billion on the economic sector as a catalyst for economic growth and development in the course of 2017.

Infrastructure DEVELOPMENT:

Our strategic objective for infrastructure development is the successful delivery and efficient use of public infrastructure to encourage and facilitate the delivery of public services. In addition, we intend to ease the movement of people, goods and services for socio-economic activities and leisure.

To this end we will invest in a 10-20 year Edo State master-plan which will deliver a modern fit-for-purpose Land Use and Land Management system, reconstruct bad roads, extend roads to remote areas, improve Transportation and Traffic Management and introduce ICT and Broadband Technology into our infrastructure projects. We will also develop new Towns.

We recognise the critical role that electricity plays and will under various forms of partnerships drive electricity generation and Distribution initiatives through the Business Bureau.

As part of our investment in this critical area, we propose to spend the sum of N22.3 billion on infrastructure development and upgrade.

Institutional Reforms

It is our collective desire to build a modern public service where efficiency, productivity and service delivery are the hallmarks. Our institutional reforms will target the critical issues of Governance and administration, Civil Service Enhancement, Justice, Judiciary, Local Government, Rule of Law, Public Safety and Security.

We are determined to resolve all outstanding pension issues in Edo State. To this end, effective January 1, 2017 Edo State will commence the Contributory Pension Scheme. The sum of N3,179,872,873 has been proposed for the scheme. An additional amount of N6,034,480,729 has been provided to pay for outstanding gratuities and pension.

We have proposed a capital investment of N6.6 billion to rebuild the infrastructure of our institutions in 2017.

Environmental SUSTAINABILITY

It is a general consensus that as a state, we must attain global standards in environmental management, waste management and improved access to potable water. To achieve this, we must necessarily cover delivery on Waste management and sanitation, Beautification of public parks and spaces, Water resources management and supply and Environmental protection. Our budget proposal has provided for N6.9 Billion as capital spend on the environmental sector.

Edo state has to become the cleanest state in Nigeria and with the co-operation of all we will unveil our plan to achieve this goal next month.

SOCIAL WELFARE ENHANCEMENT

Our social welfare strategy is geared towards ensuring that good healthcare, education and sports programs of global standards are available to all citizens of Edo State with value-for-money delivered, and also achieve improved living conditions. We have therefore proposed

N17.3 billion to ensure that government fulfils its obligations in the provision of Public Health Care, Education, Sports Development, Youth Engagement and to substantially insulate the Vulnerable groups (Senior Citizens, Women, Children and Physically Challenged) from socio-economic discomfort in the year ahead.

CULTURE & TOURISM

Finally, in tune with the yearnings of our people to make critical investments in the preservation, development and showcasing of our rich cultural heritage and inherent potential for tourism, we have earmarked the sum of N305 million as catalyst for this sector in achieving our objective to ensure that Edo state becomes the premier destination for cultural and eco-tourism in Africa. We will through the Business Bureau attract private capital to ensure that we optimize our potential for business and leisure tourism.

Details of the draft 2017 capital expenditure estimates are presented below:

SECTOR	CATEGORY	2017 BUDGET	2016 BUDGET
		N	N
ADMINISTRATION	GOVERNANCE INSTITUTIONS (EXECUTIVE)	3,611,333,082	1,392,106,000
	GOVERNANCE INSTITUTIONS (LEGISLATIVE)	478,475,000	790,000,000
	EDSIEC	647,000,000	20,000,000
		4,736,808,082	2,202,106,000
LAW & JUSTICE	THE JUDICIARY	1,580,615,605	225,150,000
	LAW REFORM COMMISSION	80,000,000	20,000,000
	MINISTRY OF JUSTICE	180,000,000	35,000,000
		1,840,615,605	280,150,000
SOCIAL	INFRASTRUCTURE	6,898,000,000	7,599,000,000
	HEALTH	6,215,498,732	10,210,000,000
	EDUCATION	10,449,113,412	12,704,375,594
	YOUTH, WOMEN & SOCIAL DEVELOPMENT	590,000,000	251,500,000
		24,152,612,144	30,764,875,594
ECONOMIC	INFRASTRUCTURE	22,299,889,188	13,233,000,000
	INVESTMENT PROMOTION	7,500,000,000	-
	OTHER ECONOMIC GROWTH & EMPLOYMENT ENABLERS	14,721,608,143	6,036,575,000
		44,521,497,331	19,269,575,000

CONCLUSION

Mr Speaker, I cannot end this presentation without expressing my profound gratitude to you and the dear people of Edo State for the overwhelming support I and my team have received.

Let me use this opportunity to congratulate and thank our revered monarch Omo no oba ne edo Uku

Akpolorkpolor Oba Eware II the Oba of Benin for his leadership and commitment to the principles of progress and accountability.

I thank the leadership and members of our great Party the All Progressives Congress (APC) the APC for their unwavering support.

To our numerous women groups, our youth, artisans, road transport workers, religious bodies, pensioners, Edo State Civil Service and other too numerous to mention, you have been truly inspirational in the journey so far and we will continue to count on your support just as we will support you in delivering on our promises.

My respected compatriots and worthy representatives of our people, on you lies the task of scrutinizing and assenting to this budget. Your immediate assent will ensure that the urgent task of rebuilding our state starts in earnest. It is now time to reawaken the spirit of industry and creativity that lies within all of us. This Budget of Consolidation and prosperity clearly outlines

our first priorities and serves as our compass to the future we seek.

Building this new society for Edo State will depend on the timely implementation of reforms to further boost business climate, attract private investment, improve our social welfare and foster needed development. Therefore, the timely passage of this budget is crucial.

Edo State must become the standard bearer of progress in Nigeria. We must lead the nation in social and economic progress. We will be unrelenting in our pursuit of a cleaner, greener and digital Edo. In this task, our government will shun all acts of corruption. We shall hold all accountable and will aggressively ensure justice is meted to offenders.

Distinguished members, ladies and gentlemen I thank you for support on this journey of renewal. I remain confident that we would continue to enjoy a harmonious working relationship in the interest of our dear State and to the glory of God, our Maker.

Mr. Speaker and honourable members, it is now my pleasure and honour to present to you, the Edo State 2016 Appropriation Bill of N150 billion and details of the Budget proposals for your consideration and approval.

Thank you for your kind attention.

God bless Edo State.

God bless the Federal Republic of Nigeria