



GOVERNMENT OF NASARAWA STATE

BUDGET OF SUSTAINABLE DEVELOPMENT

SPEECH DELIVERED BY HIS EXCELLENCY, UMARUTANKO AL-MAKURA, GOVERNOR OF NASARAWA STATE ON THE OCCASION OF THE PRESENTATION OF THE 2018 FISCAL APPROPRIATION BILL TO THE NASARAWA STATE HOUSE OF ASSEMBLY, LAFIA: WEDNESDAY, 29TH NOVEMBER, 2017

1. The Right Honourable Speaker;
2. Principal Officers and Honourable Members of the Nasarawa State House of Assembly.

In compliance with section 121(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended), I stand before you, the Honourable Members of the Nasarawa State House of Assembly to present the 2018 Appropriation Bill. It is, indeed, with a sense of responsibility and special gratitude to Almighty God that I have yet another

unique opportunity to perform this onerous constitutional duty before this hallowed chamber.

2. Mr. Speaker, Honourable Members, it will be recalled that, as a constitutional process, I stood before you about this time last year to present the 2017 Budget which became a springboard for the implementation of our cherished policies and programmes, with a view to consolidating our commitment towards entrenching an egalitarian Nasarawa State.

3. It would be recalled that, since our assumption of office in May 2011, we made a solemn pledge to make Nasarawa State a hub where socio-economic activities will thrive and flourish. Although, Mr. Speaker, and Honourable Members, as you are aware, the monthly

allocation from the Federation account to the State remains abysmally low coupled with lack of improvement in our Internally Generated Revenue (IGR) and the attendant negative effects on the inter-play of both micro and macro economic fortunes of our dear State. Let me, however, state unequivocally that this Administration has remained focused on its developmental sojourn. Notwithstanding the intervening economic recession which almost crippled the national economy, therefore, this Administration remains resilient and unwavering in meeting the yearnings and aspirations of our people, in spite of obvious attempts to distract us by mischief makers and fortune hunters masquerading as democrats.

4. I make bold to state that the 2017 Budget recorded optimum performance. Accordingly, the execution of projects and programmes that have direct bearing on the lives of our people remained our major focus. I am pleased to inform this honourable house that most of the roads construction, hospitals, sports facilities, schools infrastructure, power and water projects, as well as provision of market facilities among other projects have been completed. It is our determination to complete all on-going projects in the State within the next fiscal year. Similarly, we have committed enormous resources for the welfare of the physically challenged, women and children, as well as other vulnerable groups in our society. This is in line with our policy on inclusive governance.

5. As you are aware, this Administration believes that the disabled among us are the most vulnerable members of the society, not because they are incapacitated, or that they suffer from one form of deformity or the other, but because the society does not offer them enabling environment for them to achieve their innate potentials, hence deserving of our attention. In our strategic move to give them a sense of belonging therefore, this Administration has resolved to give them opportunities to explore their potentials with a view to contributing their quota in our collective quest to move Nasarawa State to greater heights.
6. It is in this connection that this Administration embarked on the construction of Nasarawa

State Comprehensive Special Schools for persons living disabilities across the State aimed at bridging the gap in specific education needs of children with disabilities who are open to discrimination, neglect, abuse and exploitation. This effort is to ensure that they are empowered to have equal opportunities to compete favourably with others in all human endeavours. I am happy to state that the Lafia Comprehensive School has been completed and modalities already in place for the commencement of academic programmes in January, 2018. Efforts are also being intensified to complete the ones at Keffi and Gudi for the benefit of our people in the Northern and Western Senatorial Zones of the State.

7. The Right Honourable Speaker, Honourable Members, it is pertinent to point out that we are able to record these tremendous achievements largely due to our imbibed principles of transparency, accountability, probity and frugal management of the State's resources over the years in our governance process. I dare say that our institutionalization of these lofty etiquettes gave us the strength to absorb the shocks of the economic recession that engulfed the nation in the recent past. I dare say, Nasarawa remains one of the most viable States within the Nigerian Federation due mainly to these core ethical principles.

8. Mr. Speaker, Honourable Members, I am obliged to reiterate that our strides in this direction would not have been possible without the support and cooperation of this esteemed set of Honourable Members. It is in this connection that I commend the Honourable House for the exemplary synergy between the two arms of Government without compromising its independence. It is imperative to stress that your patriotic contribution towards the realization of our goals is a vindication of our collective zeal to deliver on our covenant with the electorate to uplift their standards of living.

9. Honourable Members of the House, it is pertinent to point out that, with the gradual exit of the recession, Government has

identified parameters that will enable us re-strategize in actualizing our policies and programmes. Deliberate efforts are being made to stimulate the state economy through diversification for maximum performance. In this regard, this Administration has put in place necessary mechanism to revitalize large scale agricultural production. Already, all necessary plants and machinery have been procured and delivered to the State towards the resuscitation of the Fertilizer Blending Plant in Lafia and establishment of others in the other two (2) Senatorial Zones of the State. Government will also sustain the supply of other necessary equipment and pesticides, as well as improved seeds to assist our farmers actualize bumper harvests. This resolve has a

twin advantage of encouraging large scale mechanised farming on the one hand and the gainful employment of our teeming youths into agricultural and related value chain activities thereby reducing youth restiveness in the society.

10. At this juncture, Mr. Speaker, Honourable Members, it is my honour to present to you the Budget proposal for the 2018 fiscal year and its assumptions for your consideration.

Review of the Year 2017 Budget

11. Mr. Speaker, Honourable Members, it would be recall that in December, 2016 I presented a total Budget of Sixty-seven Billion, Thirteen Million, Fifty-seven Thousand, Seven Hundred and Fifty-Three Naira (**₦67,013,057,753**) only for the year 2017.

12. After due consideration, the Honourable House passed into Law the sum of Sixty-nine Billion, Nine Hundred and Seventy-one Million, Four Hundred and Twenty-seven Thousand, Five Hundred and Ninety-six Naira (**₦69,971,427,596**) only.
13. However, owing to the desire of Government to complete on-going critical projects started by this Administration, a supplementary budget in the sum of Twenty-one Billion, Five Hundred and Fourteen Million, Two Hundred and Seventy-two Thousand, Six Hundred and Thirty-five Naira (**₦21,514,272,635**) only was presented to the Honourable House and passed into Law. This brought the total budget for 2017 to Ninety-one Billion, Four Hundred and Eighty-Five Million, Seven Hundred Thousand, Two Hundred and Thirty-one Naira (**₦91,485,700,231**) only.
14. Mr. Speaker, out of the budgeted amount, Forty Billion, Two Hundred and Forty Million,

Ninety-three Thousand, Nine Hundred and Sixty-eight Naira (**₦40,240,093,968**) only was earmarked for **Recurrent Expenditure**, while Forty-four Billion, Seventy-four Million, Seven Hundred and Twenty-One Thousand, Eight Hundred and Three Naira (**₦44,074,721,803**) only was budgeted for **Capital Expenditure**. Meanwhile, the sum of Seven Billion, One Hundred and Seventy Million, Eight Hundred and Eighty-four Thousand, Four Hundred and Sixty Naira (**₦7,170,884,460**) only was dedicated to the **Consolidated Revenue Fund Charges** of the State.

Highlights of Year 2017 Budget

15. The 2017 budget was focused on the following areas:
 - i. Completion of some on-going projects;
 - ii. Enhancement of Internal Revenue Generation (IGR);
 - iii. Completion of Market development;
 - iv. Completion of rural roads network and bridges;

- v. Creation of enabling environment for Public-Private Partnership (PPP);
- vi. Aviation infrastructure development;
- vii. Intervention in Education to include Science and Technical Education, Special Education, as well as restructuring and rehabilitation of secondary schools and tertiary institutions and commissioning of Special Schools for People Living with Disability (PLWD);
- viii. Improvement in Healthcare Service Delivery;
- ix. Continued collaboration with Development Partners and strengthening governance and institutions in line with global best practices;
- x. Agricultural Liberalization with emphasis on extension services, encouraging commercial farming and cottage industry for value chain;
- xi. Solid minerals exploration and exploitation in collaboration with the Federal Government and partnership with

investors as alternative sources of revenue generation.

Performance of the 2017 Budget

16. Mr. Speaker, Distinguished Members, Government envisaged revenue accruals of Ninety-one Billion, Four Hundred and Eighty-Five Million, Seven Hundred Thousand, Two Hundred and Thirty-one Naira (**₦91,485,700,231**) only. But as at October 2017, only Fifty-two Billion, Forty-nine Million, Eight Hundred and Sixty-seven Thousand, Six Hundred and Thirteen Naira, Seventy-one Kobo (**₦52,049,867,613.71**) was realized. This represents 56.89% of the total expected revenue for 2017.

17. During the period under review, a total of Twenty-four Billion, Seven Hundred and Fourteen Million, Nine Hundred and Seventy-nine Thousand, Three Hundred and Eighty

Naira, Twenty-six Kobo (~~₦24,714,979,380.26~~) only was spent on **Recurrent** items.

18. On the other hand, the sum of Twenty Billion, Six Hundred and One Million, Six Hundred and Fifty-one Thousand, Seven Hundred and Nine-seven Naira, Fifty-seven Kobo (~~₦20,601,651,797.57~~) only was spent on **Capital** Projects.

19. Mr. Speaker, Honourable Members, you would recall that this Administration resolved not borrow in the implementation of 2017 Budget. Let me state that, we have kept faith to this solemn commitment. However, the Federal Government supported our budget with the sum of N8.6 Billion during the year under review. This resolve was aimed at reducing debt burden on our dear State considering the low revenue inflow.

20. Despite the economic challenges facing the State, this Administration has continued to pursue policies, programmes and projects

geared towards meeting the yearnings and aspirations of our people. Worthy of note are the massive urban and rural roads infrastructure construction, healthcare delivery, markets development, water and power supply, education and agriculture, among others. Most of these projects have been completed and commissioned during the year under review.

Fiscal Risk and State Government Financial Trend in 2017

21. The Rt. Hon. Speaker, it is pertinent to state that, over the years, Government had continued to make frantic efforts to reduce recurrent spending in order to make capital expenditures perform to optimal level. However, it is obvious that recurrent expenditures have continued to increase, resulting from increase in the wage bill, including pensions and gratuities. This fact has been an impediment to our efforts to

improve on the capital spending. Notwithstanding, Government has been able to cut costs of governance through restructuring of the Ministries, Departments and Agencies (MDAs) and the number of political appointees, thereby bridging the gap between the recurrent and capital expenditures.

22. Consequently, recurrent expenditure accounted for about Fifty percent (50%) of Government total spending against Forty-two percent (42%) capital expenditure. Consolidated revenue fund charges, which comprised debt servicing, pension and gratuities accounted for about Eight percent (8%) in the 2017 fiscal year.

23. This Administration has continued to effectively manage our debt profile, keeping it at relatively moderate level. Government is, therefore, servicing only the first tranche of the Bonds collected in 2014, Federal Government infrastructure concessional loans, as well as

some long term outstanding Development Partners facilities. All of these have relatively low interest rates with long term repayment periods.

The 2018 Fiscal Appropriation

24. The Rt. Hon. Speaker, Distinguished Members, let me assure you that the new accounting standard known as *International Public Sector Accounting Standard (IPSAS)* has been domiciled in the State. With modification and perfection of the necessary principles, Government will continue to pursue standards and systems that will improve accountability, transparency and prudence in the management of Government resources. Mr. Speaker will recall that in line with this commitment, Government has domesticated the Fiscal Responsibility Law and Public Procurement Law aim at strengthening transparency in Government business.

25. Honourable Members, Government's focus in the 2018 fiscal year is as follows:

- i. Completion of all on-going projects started by this Administration;
- ii. Encouraging and supporting agricultural production as a way of empowerment, boosting production, developing value chain and strengthening commercial venture for a stable economy;
- iii. Creating conducive environment for the participation of the informal sector in income generation and sustainable productivity. In addition, it is also to attract investors to the State in order to boost employment opportunities for our teeming youth;
- iv. Government will continue to work closely with security agencies to promote protection of lives and property. The unfettered peace being enjoyed by our people would be sustained with continued

commitment of resources so as to improve socio-economic activities.

26. Government will not relent in its determination to strengthen internal control mechanism in financial management. By so doing, Government will strictly monitor activities of Ministries, Departments and Agencies (MDAs) in line with the fiscal expenditure framework of this Administration. This will further sustain our resolve for transparency and accountability in view of our lean resources. The adoption of Treasury Single Account (TSA) will also promote the fiscal discipline as this will block all financial leakages in our various operations.

Parameters and Basic Assumptions of the 2018

Budget

27. The fluctuations in the Statutory Revenue Allocation from the Federation Account has been our guide in drawing up the 2018 budget in view of the fact that it remains the major

source of revenue accruals to the State. We are also mindful of the fact that we have not yet reach the desired peak of our IGR contribution to the State revenue. However, this Administration is determined to pursue vigorously all other sources of revenue due to government and collect same at minimal cost. To achieve this objective, the Board of Internal Revenue is collaborating with a consulting firm to recover back end stamp duty tax and related taxes due to the State to boost our IGR performance.

28. The following basic assumptions have been used as our guiding principles for the 2018 budget:

- i. Government intends to pursue all revenue due to the State from various sources which include taxes, refunds, recoveries and other back duties among others. The 2018 budget is, therefore, streamlined along this basic assumption and would require the

collaboration of all and sundry with a view to achieving our laudable targets;

- ii. This Administration is determined to achieve economic growth through prudent management of resources and investment in areas that have direct bearing on the lives of the citizenry. This will go a long way in cushioning the hardship being faced by our people and sustain the socio-economic development already laid down by this Administration.

Anticipated Revenue Receipts in 2018

29. Mr. Speaker, Honourable Members, the total expenditure outlay of the 2018 estimate is in the sum of One Hundred and Twenty-two Billion, Eight Hundred and Twenty Million, Nine Hundred and Forty-three Thousand, Two Hundred and Eighty-four Naira (**₦122,820,943,284**) only.

30. The 2018 Appropriation anticipates a total of Ninety-Five Billion, Six Hundred and Eighty-

three Million, Five Hundred and Ninety-five Thousand, Eight Hundred and Sixty-one Naira (**₦95,683,595,861**) only. The deficit will be financed by a ₦10 Billion facility, Development Partners, as well as the 2018 opening balance.

31. The budget framework shows an increase of Thirty-one Billion, Three Hundred and Thirty-five Million, Two Hundred and Forty-three Thousand, Fifty-three Naira (**₦31,335,243,053**) or **34.25%** as against the 2017 appropriation. The idea behind the increase is to enable Government complete and pay all on-going projects started by this Administration. Details of these amounts are contained in the estimate's document which I shall lay before you.

32. The Rt. Hon. Speaker, Honourable Members, Government is committed to placing our dear State on the path of developed States in the country. Therefore, we intend to build on the solid foundation laid by this Administration

since 2011. It is in this wise that we christened the 2018 Appropriation, “***Budget of Sustainable Development***”.

33. Accordingly, the budget is to be funded from the following anticipated revenue sources:

- A. Opening Balance of ~~₦~~8.4 Billion;
- B. Federation Account
 - i. Statutory Revenue Allocation of ~~₦~~36.0Billion;
 - ii. Value Added Tax (VAT) of ~~₦~~10.0 Billion;
 - iii. Exchange Gain of ~~₦~~3.0 Billion;
 - iv. Special Allocation of ~~₦~~4.0 Billion;
- C. Internally Generated Revenue (IGR) of ~~₦~~42.69Billion;
- D. Aides and Grants of ~~₦~~8.74 Billion;
- E. Facility ~~₦~~10.0 Billion;

EXPENDITURE ESTIMATE FOR YEAR 2018 BUDGET

Recurrent Expenditure

34. A total of Forty-five Billion, One Hundred and Ninety Million, Nine Hundred and Forty-one Thousand, Two Hundred and Eighty-four Naira (**₦45,190,941,284**) representing **36.79%** of the budget is earmarked for Recurrent Expenditure.

Capital Expenditure

35. The sum of Seventy-one Billion, Six Million, and Two Thousand Naira (**₦71,006,002,000**) representing **57.81%** of the total budget is earmarked as Capital Expenditure for the year 2018.

Consolidated Revenue Fund Charges

36. Similarly, the sum of Six Billion, Six Hundred and Twenty-four Million Naira (**₦6,624,000,000**) has been allocated to Consolidated Revenue Fund Charges for debt servicing, pension and gratuity. This represents **5.39%** of the total budget.

2018 Total Budget Size

37. The Rt. Hon. Speaker, Honourable Members, I am delighted to lay before you a total budget size of One Hundred and Twenty-two Billion, Eight Hundred and Twenty Million, Nine Hundred and Forty-three Thousand, Two Hundred and Eighty-four Naira (**₦122,820,943,284**) only for the 2018 fiscal year.

Sectoral Highlights

38. On the whole, the 2018 appropriation for the various sectors is as follows:

a) Administrative Sector:

○ General Administration/ Legislation	-	₦19.75 billion
○ Pension & Gratuity	-	₦2.80 billion
○ Information & Culture	-	₦1.13 billion
○ Civil Service Matters	-	<u>₦0.728 billion</u>
Sector Sub-Total	-	₦24.41 billion

b) Economic Sector:

○ Agriculture	-	₦2.39 billion
○ Finance & Investment	-	₦10.03 billion
○ Works, Housing and Urban		

- Development - ₦37.30 billion
- Water Resources & Rural Development - ₦3.93 billion
- Lands & Physical Planning- ₦7.90billion
- Sector Sub Total - ₦53.65billion**

c) Law & Justice Sector:

- Judicial Service Commission-~~₦~~0.173billion
- Ministry of Justice - ₦0.280billion
- Courts of Justice - ₦2.57billion
- Sector Sub Total - ₦3.02billion**

d) Social Sector:

- Education - ₦24.23 billion
- Health - ₦8.76 billion
- Youth & Sports Development - ~~₦~~1.08billion
- Women & Social Development - ~~₦~~0.235billion
- Environment & Solid Minerals- ₦1.41billion
- Sector Sub Total - ₦35.72billion**

39. The Right Honourable Speaker, Honourable Members of this Hallowed Chamber, this Budget is predicated upon our

collective determination to sustain the pace of development in our dear State. In this regard, to achieve the success of this appropriation, therefore, we have the onerous task of brazing up to the challenges ahead. We have the task of strengthening our partnership to enable us realize our desired ambition of bequeathing a legacy that will have our names written in the sands of history.

40. The Rt. Hon. Speaker, Distinguished Members, let me conclude this speech by calling on our citizens to renew their commitment to peace and harmony. The anti-grazing bills passed by some of our neighbouring States should not make us take hasty decisions that will breed confusion and cause social disharmony in our

dear State. The task of developing the State and securing better lives for the people requires an atmosphere of conviviality and tranquility across our homes and communities. Government will continue to work closely with the law enforcement agencies to secure every part of our State.

41. On this note, Mr. Speaker, Honourable Members, it is my honour to lay before this Honourable House the 2018 Appropriation Bill tagged **Budget of Sustainable Development** for your kind consideration and speedy passage.

42. Thank you and God bless Nasarawa State.