



**GOVERNMENT OF NASARAWA STATE**

**Budget of Inclusive Development**

**SPEECH DELIVERED BY HIS EXCELLENCY, ENGR. ABDULLAHI A. SULE, GOVERNOR OF NASARAWA STATE ON THE OCCASION OF THE PRESENTATION OF THE 2020 FISCAL APPROPRIATION BILL TO THE NASARAWA STATE HOUSE OF ASSEMBLY, LAFIA: WEDNESDAY, 4<sup>TH</sup> DECEMBER, 2019.**

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

When I took over the reins of leadership as the 4<sup>th</sup> Executive Governor of Nasarawa State, I made a solemn commitment to discharge the responsibilities bestowed on my shoulders by the divine grace of the Almighty Allah and the popular mandate of the good people of Nasarawa State, with due diligence, commitment and sacrifice towards the overall development of our dear State. In doing so, we have resolved to be guided by the imperatives of transparency, accountability and prudent management of our common wealth to the benefit of all.

2. It is, therefore, with a sense of fulfillment that I stand before you, the Honourable Members of the Nasarawa State House of Assembly to present the 2020 Appropriation Bill in compliance with section 121(1) of the 1999 Constitution of the Federal Republic of Nigeria (as amended). I consider this unique opportunity as a privilege to perform this constitutional duty before this hallowed chamber for the first time as the Executive Governor of our dear State.

3. The Right Honourable Speaker, Honourable Members, let me state from the onset that the implementation of the Budget will be based on our peculiarity as a State, putting into consideration the policy documents which this Administration has prepared, especially its economic blueprint enshrined in the Nasarawa Economic Development Strategy (NEDS), Nasarawa Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and the Budget Policy Statement

2020-2022 which culminates into the Medium Term Expenditure Framework (MTEF). The Policy Plans provide a clear road map of policy actions and direction towards launching the economy of the State on the path of steady growth, progress and development, as well as the prosperity of our people.

4. The budget shall set a pace for the realization of our developmental objectives based on the yearnings and aspirations of our people, juxtaposed by the constitutional obligation. This is in furtherance of our determination to **exceed all expectations** in the governance of our dear State, aimed at uplifting the living standard of our people and transform the State into a viable socio-economic and prosperous entity.

5. The Right Honourable Speaker, Honourable Members, it would be recalled that since our assumption of office, this Administration has made some modest efforts towards the development of our dear State.

6. You are aware that in our determination to revitalize and overhaul the State Public Service, aimed at avoiding operational conflicts, we streamlined Government Ministries, Departments and Agencies, realizing the significance of strengthening Government machinery for effective and efficient service delivery. This will no doubt, cut cost and ensure Government's effectiveness.

7. This Administration has also made significant landmarks achievements in various sectors of the State. I am happy to state that we embarked on a State wide medical outreach for the treatment of Glaucoma and Cataract surgery among other illnesses. This exercise is still ongoing considering the unprecedented number of the citizens of Nasarawa State suffering from this ailment. Similarly, this Administration is committed to the continuous expansion of the Dalhatu Araf Specialist Hospital (DASH), Lafia to facilitate the seamless transition to a Teaching Hospital. With the support provided by Government, the additional structures provided in the hospital have been put to use. Similarly, the Specialized Hospitals in Akwanga and Nasarawa have been handed over to the Hospitals Management Board. The hospitals are now fully operational.

8. In the same vein, the newly constructed School of Nursing and Midwifery has been furnished and fully equipped. Following certification by the Nursing Council, the School of Nursing and

Midwifery have fully moved to the new site and resumed full academic activities.

9. In the area of education, we have attracted the Joint Admission and Matriculation Board (JAMB) to Nasarawa State through the establishment of a Technology Innovation Hub and provided equipment worth over **₦200 Million**. The equipments have been installed at the JAMB Centre provided by the Government.

10. This Administration has also embarked on the constructions of classroom blocks in Angwan Jarne, Mahanga and Mararaban Gongon in Kokona, Awe and Wamba Local Government Areas respectively in collaboration with the *Sustainable Development Goals (SDGs)*. This gesture is being extended to other schools that are still lacking basic infrastructures for effective teaching and learning. Arrangements have been concluded for the mass construction and rehabilitation of Primary and Junior Secondary Schools in the State under the auspices of the State Universal Basic Education Board's Projects. Already, the Board has closed the bids for the award of contract to qualified contractors which will signal the commencement of the projects. Similarly, I am happy to inform you that we have formalized the appointments of the two thousand, two hundred and fifty (**2,250**) engaged teachers. The Teachers Service Commission has already conducted the screening and Appointment Letters will soon be issued to them.

11. The Right Honourable Speaker, Honourable Members, in our determination to provide basic infrastructure for enhanced socio-economic activities in the State, we have commenced the completion of the on-going construction of Shinge-Ricemill-Kilema road. The design for the construction of other roads within the Lafia metropolis and some Inter-Local Government roads have been completed and work on the projects will soon commence to ensure all-round development of the State.

12. Similarly, the construction of 15.5km Asphalt Sisinbaki-Kwarra road project in Wamba Local Government Area was flagged-off considering the huge potentials that abound in the area.

13. In our commitment to open our rural areas for enhanced economic activities, I also flagged-off the construction of three (3) major critical rural roads in the State. The roads are Agwade-Shupe-

Atabula-Obi road, Shabu-Doka-Arugba-Lakio, Kanje-Abuni and Kagbu A-Atsoko-Kagbu Wana roads. In a related development, Government has procured transformers and distributed them to various communities to support our rural electrification drive, in addition to the provision of 2km Solar Power Street Light Project in all the thirteen (13) Local Government Areas of the State and in strategic locations in Lafia metropolis.

14. Furthermore, this Administration also made some strides in the agricultural sector. In this regard, we have signed Memorandum of Understanding (MoU) with the Dangote Group, as well as Azman Rice Mills and Farms Ltd. This is with a view to open vistas of opportunities as well as wealth creation through agriculture. Government has also concluded arrangements in collaboration with the Central Bank of Nigeria (CBN) to access credit facilities in the sum of **₦1.5 Billion** to enable our youth set-up small scale agricultural and trading enterprises. Disbursement to benefiting agricultural cooperatives will soon commence.

15. To fulfill our covenant with the people of the State, we are determined to enhance agricultural development, as well as to provide social amenities for the generality of our people in the State. Our commitment in this direction is aimed at achieving the twin objectives of encouraging large scale mechanized farming to achieve economic diversification, on the one hand, and the gainful employment of our teeming youths into agricultural and related value chain activities as a necessary mechanism for reducing youth restiveness in the society.

16. As you are all aware, security is the bedrock for harmonious co-existence and socio-economic development of the society. Let me state that our development partners can only key into the State's development agenda in an atmosphere of peace and order. We shall continue to strive to sustain the existing stability for the desired progress of our dear State.

17. The Right Honourable Speaker, Honourable Members, I am happy to inform you that we have adopted a Performance Based Budgeting System to ensure adaptation to the Sustainable Development Goals' targets into the development priorities of the State. This will enable the State to integrate the needs of the people from a globally accepted institutional framework and provide solutions that are measurable.

18. At this juncture, the Right Honourable Speaker, Honourable Members, it is my honour to present to you the Budget proposal for the 2020 fiscal year and its assumptions for your consideration.

### **Review of the Year 2019 Budget**

19. The Right Honourable Speaker, Honourable Members, let me state that in 2019 a total Budget of *Eighty-six Billion, Six Hundred and Forty-two Million, Five Hundred and Ninety-nine Thousand, Two Hundred and Twenty-five Naira* (86,642,599,225) only was laid before this Honourable House.

20. The submission was deliberated upon by the Honourable Members and subsequently passed a total budget of *Ninety Billion, One Hundred and Seventy Million, Two Hundred and Forty-six Thousand, Four Hundred and Sixty-four Naira* (90,170,246,464) only.

21. Out of the approved 2019 budget, Recurrent Expenditure gulped the sum of *Fifty-eight Billion, Ninety-nine Million, Two Hundred and Fifty-two Thousand, Four Hundred and Seventeen Naira* (N58,099,252,417) only, while the sum of *Thirty-two Billion, Seventy Million, Nine Hundred and Ninety-four Thousand and Forty-six Naira* (32,070,994,046) only was devoted to Capital Expenditure.

### **Highlights of Year 2019 Budget**

22. The 2019 Fiscal Year (FY) budget is a transition period and mainly focused on the following areas:

- a. Completion of ongoing projects;
- b. Improvement in the Internal Revenue Generation (IGR);
- c. Provision of Social Services;
- d. Rural roads network;
- e. Youth empowerment and capacity building;
- f. Enhanced monitoring and control system through due process mechanism;

- g. Creation of enabling environment for Public-Private Partnership (PPP);
- h. Continued collaboration with Development Partners;
- i. Environmental sustainability & recreation.

### **Performance of the 2019 Budget**

23. The Right Honourable Speaker, Honourable Members, as at September 2019, only the sum of Fifty-six Billion, Five Hundred and Three Million, Eight Hundred and Forty-four Thousand, Six Hundred and Seventy-four Naira (N56,503,844,674) only was realized out of the expected estimate of the sum of Eighty-three Billion, Five Hundred and Ninety-two Million, Eight Hundred and Forty Thousand, Four Hundred and Thirty-five Naira (83,592,840,435) only, representing 67.59% of the total expected revenue for the year.

24. From the total receipts during the period under review, actual Recurrent Expenditure stands at Thirty-four Billion, Nine Hundred and Thirty-five Million, Three Hundred and Eleven Thousand, Eight Hundred and Fifty-two Naira (N34,935,311,852) only.

25. On the other hand, Seventeen Billion, Nine Hundred and Ninety-five Million, One Hundred and Twenty-six Thousand, Four Hundred and Twenty-three Naira, Forty-one Kobo (N17,995,126,423.41) only was used for Capital Expenditure.

### **Fiscal Risk and State Government Financial Trend in 2019**

26. Government made concerted effort during the current financial year to put in place measures to reduce recurrent spending to a reasonable level, while increasing our investment on the capital side. However, it is worthy of note that our recurrent expenditure has continued to grow and overwhelm capital expenditure.

27. This situation is not unconnected with the huge wage bill and pension of retired Civil Servants paid by Government, as well as the running cost of Government offices that the State had to content with during the period under review. In spite of this, Government has remained consistent on the payment of liabilities and other obligations.

## **The 2020 Fiscal Appropriation**

28. The Right Honourable Speaker, Honourable Members, this Administration will continue to maintain the existing accounting standard known as International Public Sector Accounting Standard (IPSAS), which is consistent with the international financial reporting and best practices. As you are aware, this accounting system improves accountability, transparency and prudence in Government spending.

29. The 2020 appropriation, therefore, hopes to consolidate the achievement of our development objectives in the following areas:

- i. Completion of all ongoing projects;
- ii. Improvement of the Internal Revenue Generation (IGR);
- iii. Provision of social services;
- iv. Value re-orientation;
- v. Rural feeder roads development;
- vi. Youth Empowerment and Capacity building;
- vii. Design policies and programmes that will enable better environment for Public-Private Partnership (PPP) to thrive;
- viii. Continued collaboration with Development Partners;
- ix. Creation of enabling environment for Labour-Government harmonious relationship.

30. The Right Honourable Speaker, Honourable Members, in consonance with the reality of our current financial position, Government intends to be strict in expenditure control to ensure efficiency in spending and accountability in the 2020. This fiscal framework is intended to ensure effective monitoring of Ministries, Departments and Agencies (MDAs) through a mechanism known as the **Efficiency Unit**, put in place to ensure strict compliance to budgetary provision and fiscal control.

### **Parameters and Basic Assumptions of the 2020 Budget**

31. In drawing up the 2020 budget, Government is guided by the persistent inconsistency in the Statutory Revenue Allocation (SRA) from the Federation Account and the trend in the global capital market. Our assumptions are essentially dependent on the Federal Government Fiscal Strategy Paper since the SRA is the major source of revenue to the State. The following, therefore, are our assumptions:

- i. There is an expected improvement in IGR, taking into consideration additional stringent measures put in place by Government to ensure that all revenue collecting institutions improve and remit same to Government treasury. The process of the Treasury Single Account (TSA) is being concluded;
- ii. Increased economic growth and development through implementation of policies, programmes and projects.
- iii. Other macroeconomic assumptions and framework include:
  - a) Inflation rate of 11.7%;
  - b) Real GDP growth rate at 2.7% based on National index;
  - c) Oil Production Benchmark of 2 million Barrel per day;
  - d) Oil Price Benchmark of \$57 per Barrel;
  - e) Official exchange rate of N305 to a \$1;
  - f) Increased Internally Generated Revenue (IGR) by 25%

32. On the basis of these assumptions, aggregate revenue is projected at N91.24 billion while the expenditure outlay is estimated at N100.52 billion. The deficit of N8.2 billion is expected to be mainly financed through borrowing.

### **Anticipated Revenue Receipts in 2020**

33. The Right Honourable Speaker, Honourable Members, I am pleased to announce that the 2020 Appropriation anticipates a total revenue of One Hundred Billion, Five Hundred and Nineteen Million,



Nine Hundred and Fifty-six Thousand, Eight Hundred and Fifty-seven Naira (N100,519,956,857) only which translates into the total expenditure outlay.

34. This shows a marginal increase of Ten Billion, Three Hundred and Forty-nine Million, Seven Hundred and Ten Thousand, Three Hundred and Ninety-three Naira (N10,349,710,393) only or 11.48% higher than the 2019 appropriation. The details of these figures are contained in the estimate's document which I shall lay before this Honourable House.

35. The Right Honourable Speaker, Honourable Members, the 2020 Appropriation is christened "*Budget of Inclusive Development*". This is in line with the present Administration's philosophy anchored on transparency, accountability, prudence and inclusiveness in the discharge of its responsibilities to the good people of Nasarawa State.

36. Thus, the 2020 budget is to be funded from the following anticipated revenue sources: pleasures

- i. Opening balance of N1.08 Billion;
- ii. Statutory Revenue Allocation of N41 Billion;
- iii. Value Added Tax (VAT) of N10.5 Billion;
- iv. Other Allocation (from FAAC) of N2.95 Billion;
- v. Internally Generated Revenue (IGR) of N26.34 Billion;
- vi. Aid and Grants of N10.46 Billion;
- vii. Deficit Financing/Borrowing of N8.2 Billion.

## **EXPENDITURE ESTIMATES FOR YEAR 2020 BUDGET**

### **Recurrent Expenditure**

37. A total of Fifty-six Billion, Seven Hundred and Thirty-three Million, One Hundred and Twenty-nine Thousand, Six Hundred and Ten Naira (N56,733,129,610) only is earmarked for Recurrent Expenditure. This comprised recurrent expenditure of Fifty-two Billion, Four Hundred and Fifty-three Million, Four Hundred and Fifty-eight Thousand, Four Hundred and Sixty-three Naira (N52,453,458,463) only and debt servicing of Four Billion, Two

Hundred and Seventy-nine Million, Six Hundred and Seventy-one Thousand, One Hundred and Forty-seven Naira (N4,279,671,147) only. The total Recurrent Expenditure therefore, represents 56.44% of the budget.

### **Capital Expenditure**

38. The sum of Forty-three Billion, Seven Hundred and Eighty-six Million, Eight Hundred and Twenty-seven Thousand, Two Hundred and Forty-seven Naira (N43,786,827,247) only representing 43.56% of the total budget is earmarked as Capital Expenditure for the year 2020.

### **2020 Total Budget Size**

38. The Right Honourable Speaker, Honourable Members, a total budget size of One Hundred Billion, Five Hundred and Nineteen Million, Nine Hundred and Fifty-six Thousand, Eight Hundred and Fifty-seven Naira (N100,519,956,857) only is presented as the 2020 budget.

### **Highlights of Sectoral Allocations**

39. Essentially, the budgetary provisions in the 2020 appropriation for the various sectors are as follows:

S/No	Sector	Personnel Cost	OVERHEAD COST	Capital Expenditure	Consolidated Revenue Fund Charges	Total Estimate 2020
1	Governance & general administration	1,731,267,308.75	10,752,369,452.00	4,324,400,000.00	-	16,808,036,760.75
2	Legislation	594,034,771.18	2,425,520,000.00	968,000,000.00	-	3,987,554,771.18
3	Judiciary/ Law & Justice	2,094,061,846.00	670,400,000.00	637,100,000.00	-	3,401,561,846.00
4	Agriculture & Water Resources	1,072,752,013.00	543,690,170.54	820,950,000.00	-	2,437,392,183.54
5	Infrastructure	639,266,515.17	515,337,000.00	16,865,900,000.00	-	18,020,503,515.17

6	Finance, Planning/ Trade & Investment	1,813,312,148.56	878539,500.00	1,798,400,000.00	6,579,671,147.08	11,069,922,795.64
7	Environment & Natural Resources	76,078,767.00	361,642,500.00	527,000,000.00	-	964,721,267.00
8	Education, Science & ICT	14,724,157,845.96	4,043,414,820.00	7,586,445,454.98	-	26,354,018,120.94
9	Health	5,399,250,377.00	2,784,086,000.00	1,608,631,791.89	-	9,791,968,168.89
10	Youth & Social Development	385,753,247.00	1,221,255,000.00	297,000,000.00	-	1,904,008,247.00

40. The Right Honourable Speaker, Honourable Members, it is pertinent to give a brief outline of some of the critical areas of focus in the 2020 budget. In this regard, Government intends to:

- i. Embark on the completion of on-going road construction projects started by the previous Administration, as well as embark on the construction of new roads among which are Sisinbaki-Farin Ruwa road, Mararaba-Udege road among others;
- ii. Construction of Rural Feeder roads in the State which include Shabu-Doka-Arugbu-Lakio road, Agwade-Shupe-Atabula-Obi, Kanje-Abuni road, Kagbu 'A'-Wana road, among others;
- iii. Construction of Bus Terminals at Karu and Lafia;
- iv. Dualization of Shendam-Akurba road;
- v. Continuation of the construction of Airport in Lafia, the State capital, to boost the transport system;
- vi. Improve security situation;
- vii. Attract investment for socio-economic development;

- viii. Construct, expand and rehabilitate infrastructure facilities in our educational institutions;
  - ix. Encourage science education to support engineering, medical and technical needs;
  - x. Construct, upgrade and rehabilitate healthcare facilities and services in the State as well as equip them;
  - xi. Stimulate agricultural development through the encouragement of commercial agricultural enterprise;
  - xii. Step up wealth creation and job opportunities through the youth and women economic empowerment programmes;
  - xiii. Establishment of Human Capital Development Office;
  - xiv. Establishment of technological hubs to expand citizens knowledge base through ICT;
  - xv. Massive industrialization of the State through PPP arrangement.
2. The Right Honourable Speaker, Honourable Members of this Hallowed Chamber, the realization of the development objectives inherent in this Budget calls for our collective commitment and partnership. Let me reiterate that the modest achievements we have made so far, would not have been possible without the exemplary partnership of the Honourable Members. I commend this treasured collaboration between the Legislature and the Executive which has continued to define our relationship in the service of our people.
3. The Right Honourable Speaker, Honourable Members, it is my honour and privilege to lay before this Honourable House the 2020 Appropriation Bill, tagged Budget of **“Inclusive Development”** for your kind consideration and accelerated passage.
4. Thank you and may God bless us all.