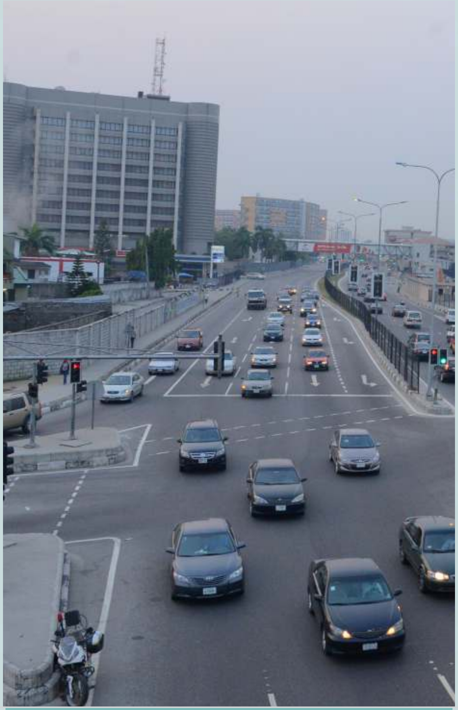
Citizens' Guide to

2020 REVISED BUDGET



Lagos state Government

Lagos State Budget

The 1999 Constitution, section 121 stipulates that prior to the commencement of each financial year; the Governor require to present an annual Budget (Appropriation Bill) of the State to the House of Assembly for enactment into law.

Thereafter, the Governor assents to it, then becomes an Appropriation Law. This therefore, puts the responsibility of the Budget between the Executive and Legislative arm of the Government.

Y2020 Budget (''Budget of Awakening'') was presented to the Lagos State House of Assembly on Friday, 8 November, Y2019 and was passed into Law on 30th December, 2019. Mr. Governor, Babajide Sanwoolu gave his assent to it on 1st January,2020.

Objectives of the 2020 Budget

The objectives of Y2020 budget include:

- Attract private sector investments to the State economy by creating an enabling environment;
- Aggressively develop, upgrade and maintain our Infrastructure;
- Invest in human capital development, i.e. education and healthcare;
- Facilitate sustainable social investment and enterprise;
- Improve capacity to collect due revenues as efficiently as possible;
- Improve civic participation in governance, and automate public services and engagement;
- Build impactful partnerships with the Federal Government, other States, development partners and civil society; and
- Improve the quality of the environment and our public spaces generally.

Lagos Demographics

Projected Population
27,281,339

Population Growth
3.2%

Population density
7,390
person / km

Total Mass (Land & water)
3,577.2
square km

Land
3,577.2
square km

Water
779.56
square km

SOCIO-ECONOMIC INDICES

On the average, the
Daily Human Traffic
(Lagos Mainland/ Island) is over
20 million

Vehicular Population
5million+
vehicles

Vehicular Density
(per km)

30
National

264
Lagos

Road Network
16,000Km+
vehicles

Solid Waste Generation
3,695.92

Power Demand

Demand
Supply

750MW

5000MW

Budget Definition

Public Sector budget is defined as a statement of a government's estimated revenue and expenditure for a particular period; normally a year for an annual budget and three to five years for a medium-term.

The budget size depends on the level of revenue that can be generated and spent in line with Government Policies/Programmes.

Budget Components

Ÿ **Revenue:** That is, how much money collected in a year, and how it will be collected.

Major Heads of Revenue:
Internally Generated Revenue, Capital Receipt and Federal Transfers

Ÿ **Expenditure:** That is, how much money to be spent in that same year, and what to spend the money on.

Major Heads of Expenditure:

MDAs Expenditure (Recurrent and Capital), Debt services and Repayment

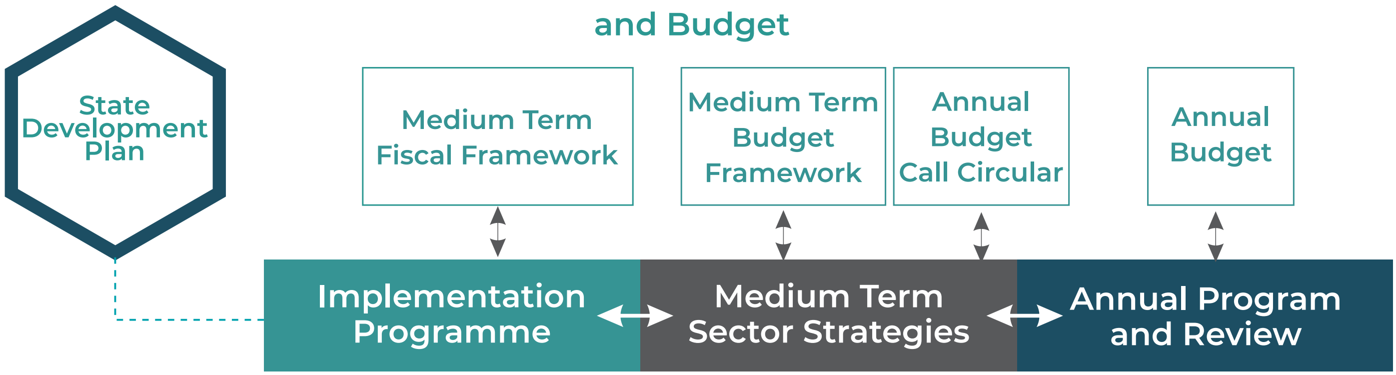
Ÿ **Financing/Debt Service;** When the expenditure is more than the revenue earns. Government must find the financial resources (borrow) to pay for this additional spending. Money borrowed within Nigeria is referred to as Internal Debt while from outside Nigeria is External Debt. When Principal and interest are paid on the Debts, it sis referred to as Debt Service

How is the Budget Prepared?

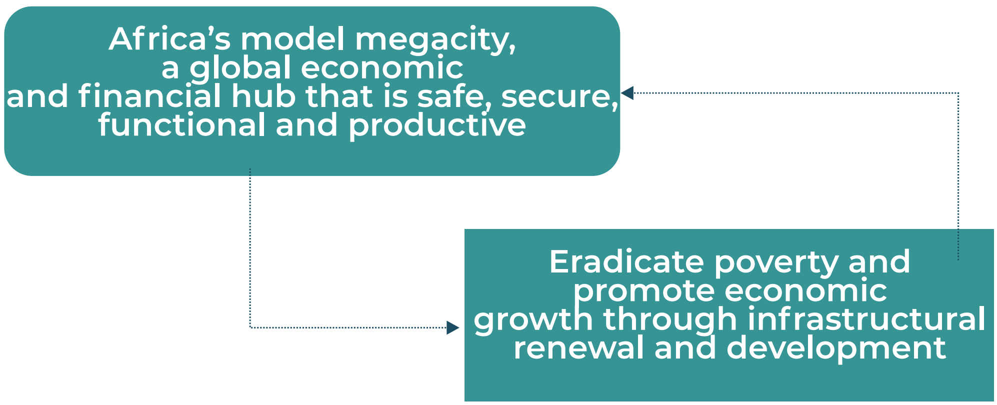
Setting Policy Target

The Lagos State Government prepare the Budget in line with THEME's Agenda initiative and direction for the State. The budget serve as a policy tool for achieving the short, medium and long-term development goals The Initiatives describe how the government will develop the State through; Traffic Management and Transportation, Health and Environment, Education and Technology, Making Lagos a 21st Century Economy, Entertainment and Tourism, Security and Governance

The Linkage between Lagos State Development Plan (LSDP) and Budget



The Lagos State Development Plan (LSDP) – Vision and Mission



Linkages Between LSDP, MTSS, PMR and Budgets.

LSDP deals mainly with impacts of government policies and strategies; while the Medium-Term Sectoral Strategy (MTSS), focuses on outcomes and further acts as basis for preparing annual budgets which primarily serves as coordinating mechanism for inputs and activities which results in outputs.

Subsequently monitoring and evaluation activities initiated for the measurement of performance (Outputs and Outcomes) which culminates in performance Management Report (PMR)

Underlying assumptions for MTEF in Lagos State

Lagos Nominal GDP (Estimated)	N31.54tn
Lagos GDP Growth Rate	-3.75%
Inflation Rate (State Figure)	17.8%
Population	27.2m
Population Growth Rate	3.20%
Oil Price Benchmark	$25

Developing the Strategy through the Medium Term Fiscal Framework

Y2020 Budget was prepared in accordance with the fiscal responsibility Act 2007. The fiscal framework indicates how revenue, expenditure, borrowing and fiscal balance (deficit or surplus) are plan in the next three (3) financial year (Medium term). Fiscal framework normally includes a revenue framework (where the money comes from) and an expenditure framework (where the money is spent on). Medium Term Framework was prepare based on agreed underlying assumptions as follows:

Citizens' Engagement (Consultative Forum)

The Budget was presented to different Stakehoders (including the organised private sector, civil society, traditional rulers and public sector) for their input and buy-in which take the form of open and interactive session. This make the Budget process open, transparent and accessible to citizes.

Initial 2020 Budget

Lagos Nominal GDP (Estimated) - **3.25tn**
Lagos GDP Growth Rate - **4.13%**
Inflation Rate (State Figure) - **10.59%**
Population - **27.2m**
Population Growth Rate - **3.20%**
Oil Price Benchmark - **$56.5**

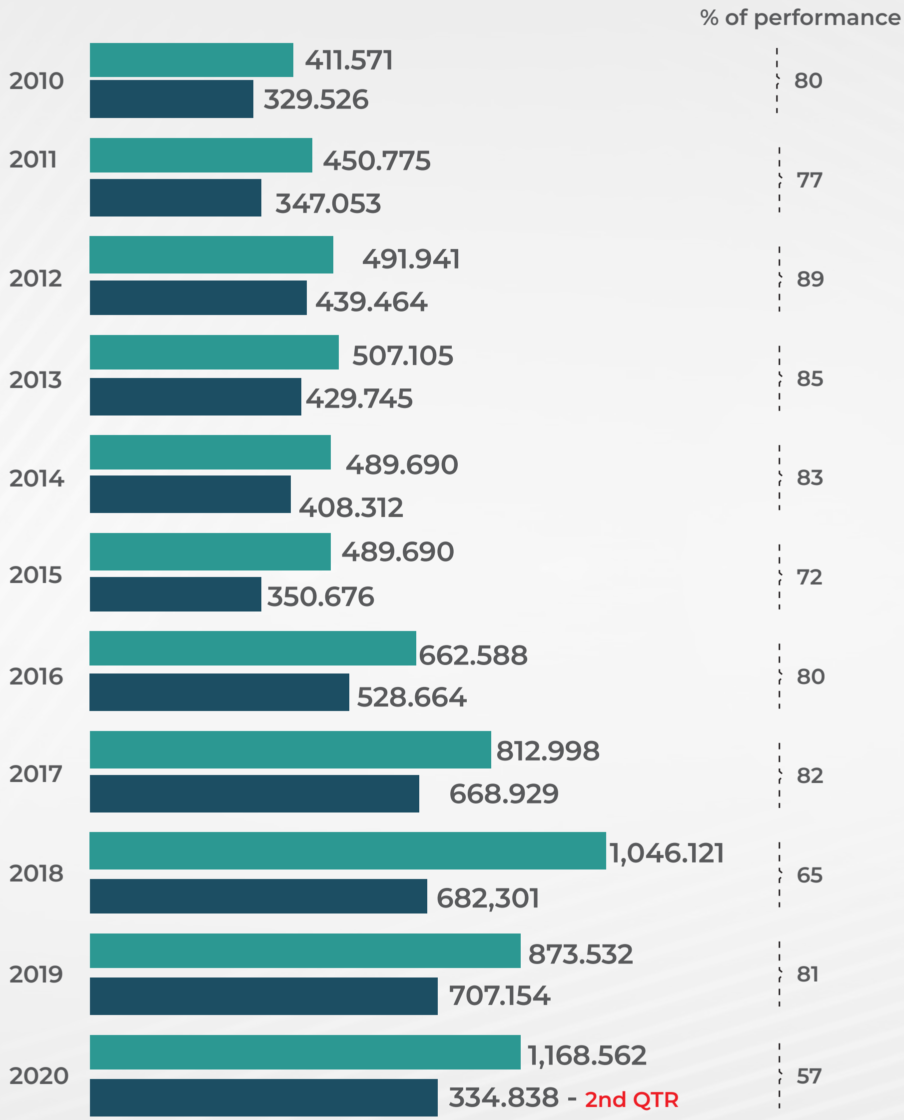
The Budget Call Circular and Bilateral Discussion

The Budget Call circular gives detail instruction on how the MDAs should prepare and submit their estimates within the limit of their envelop with Government initiatives and priorities.

During the Bilatera discussion MEPB will ensure that MDAs stayed within their envelop and consistent with priorities of the government.

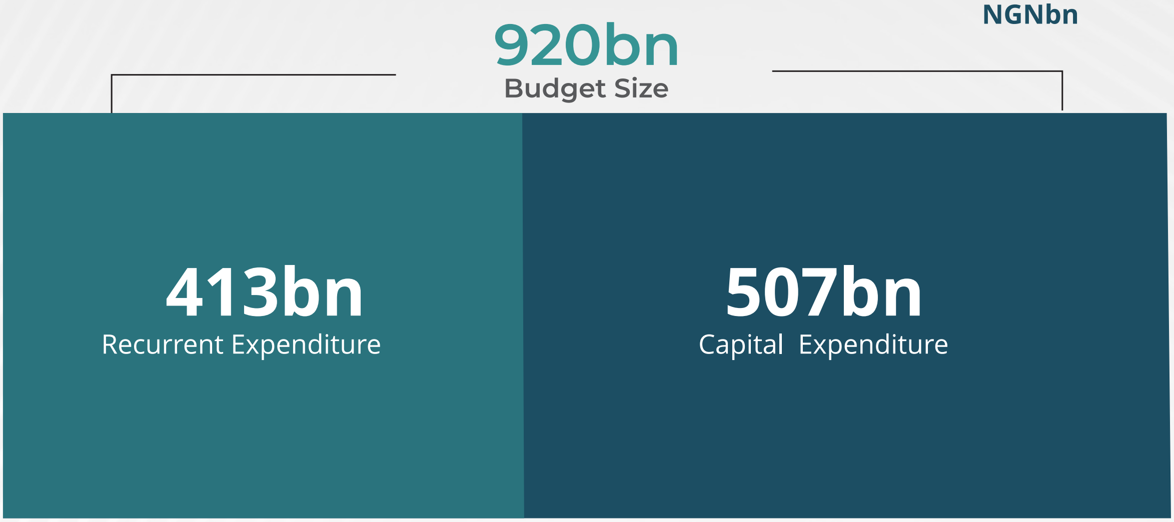
Trend Analysis of the Budget Performance (2010-2019)

All amounts in **NGNbn**

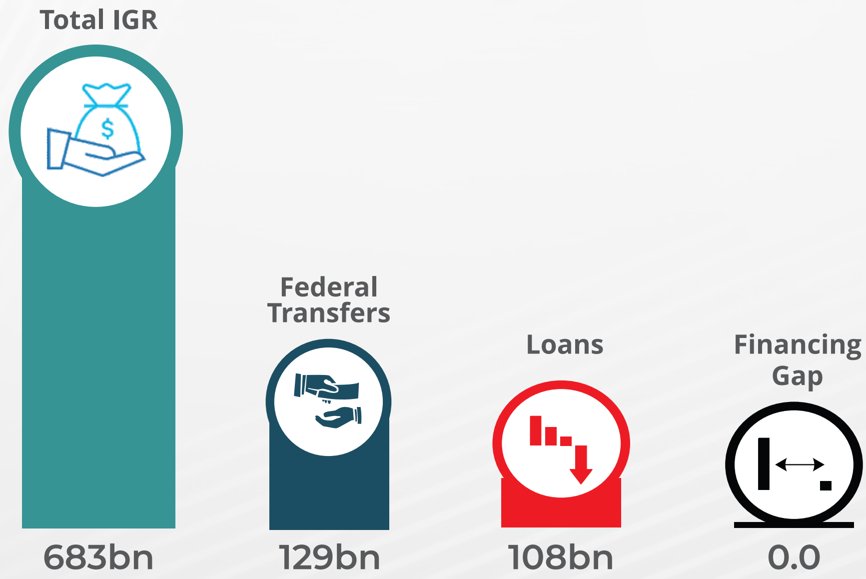


Lagos State 2020 Revised Citizens' Budget at a Glance

All amounts in **NGNbn**



Revenue Sources



Initial 2020 Budget

Budget Size - 1,169

Total Budget Expenditure - **1071**

Budget Deficit - **98**

Deficit Financing - **98**

Revenue Sources

Total IGR - **886**

Federal Transfers - **185**

Deficit - **98**

Total Expenditure

Overhead - **250**

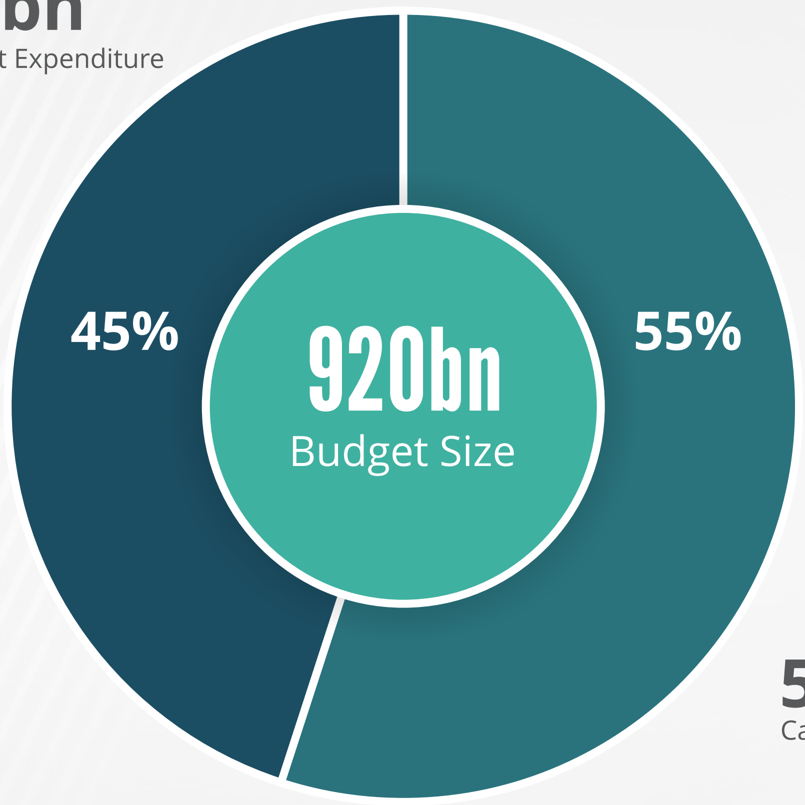
Recurrent Debt - **40**

Personnel Cost - **168**

Capital/Recurrent Expenditure

All amounts in
NGNbn

413bn
Recurrent Expenditure



507bn
Capital Expenditure

Initial 2020 Budget

Capital/Recurrent Expenditure

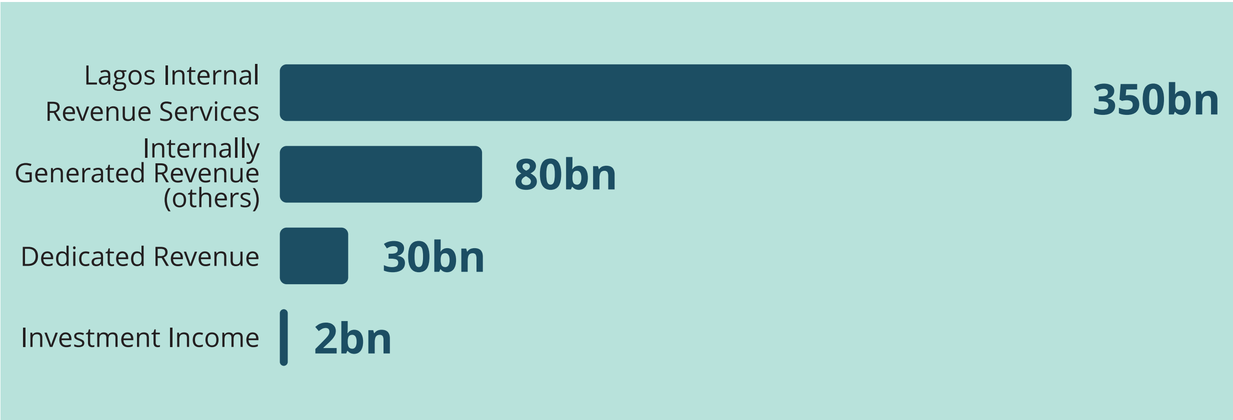
Recurrent Expenditure - 458

Capital Expenditure - 40

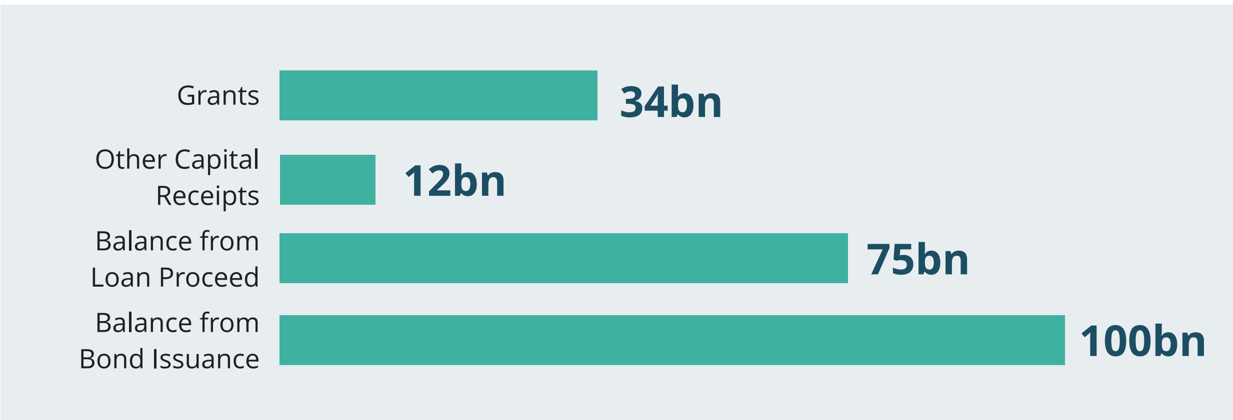
Budget Sze - 1.168tn

Where the Money Comes from (Funding)

Internally Generated Revenue



Capital Receipts



Initial 2020 Budget

Internally Generated Revenue - 654

Capital Receipts - 36

Federal Transfers - 185

Deficit Funding- 98

Lagos Internally Revenue Services - 500

Investment Income - 3

Grants - 36

Statutory Allocation - 64

External Loans - 35

Internally Generated Revenue - 118

Other Capital Receipt - 21

Balance from Bond Issuance - 75

Value Added Tax - 111

Internal Loans - 63

Dedicated Revenue - 33

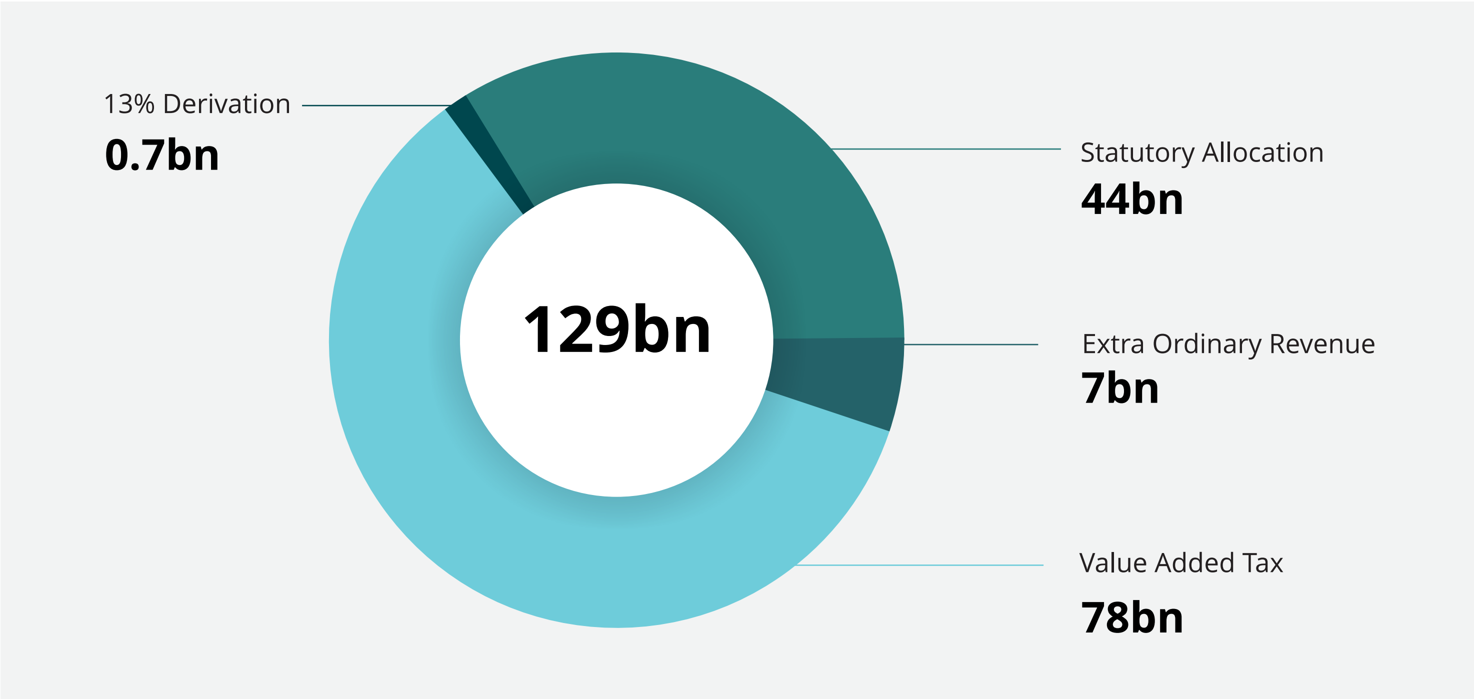
Balance from Loan Proceed - 100

Extra Ordinary Revenue - 10

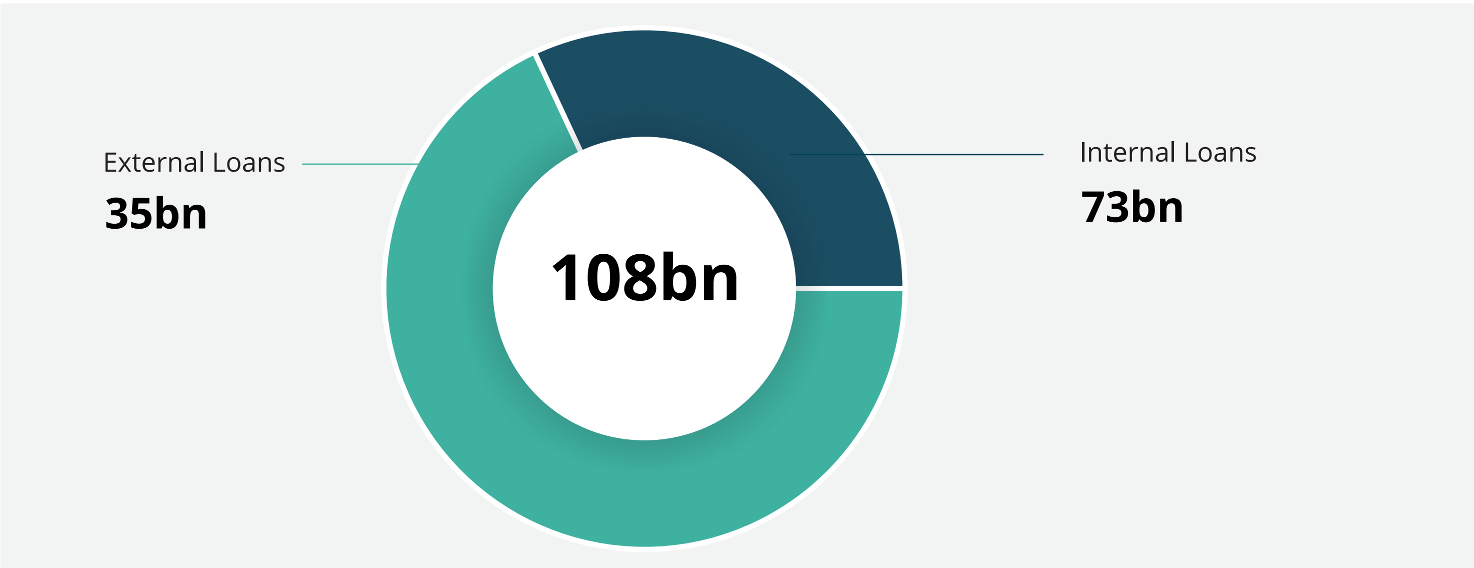
13% Derivation - 0.10

Where the Money Comes from (Funding)

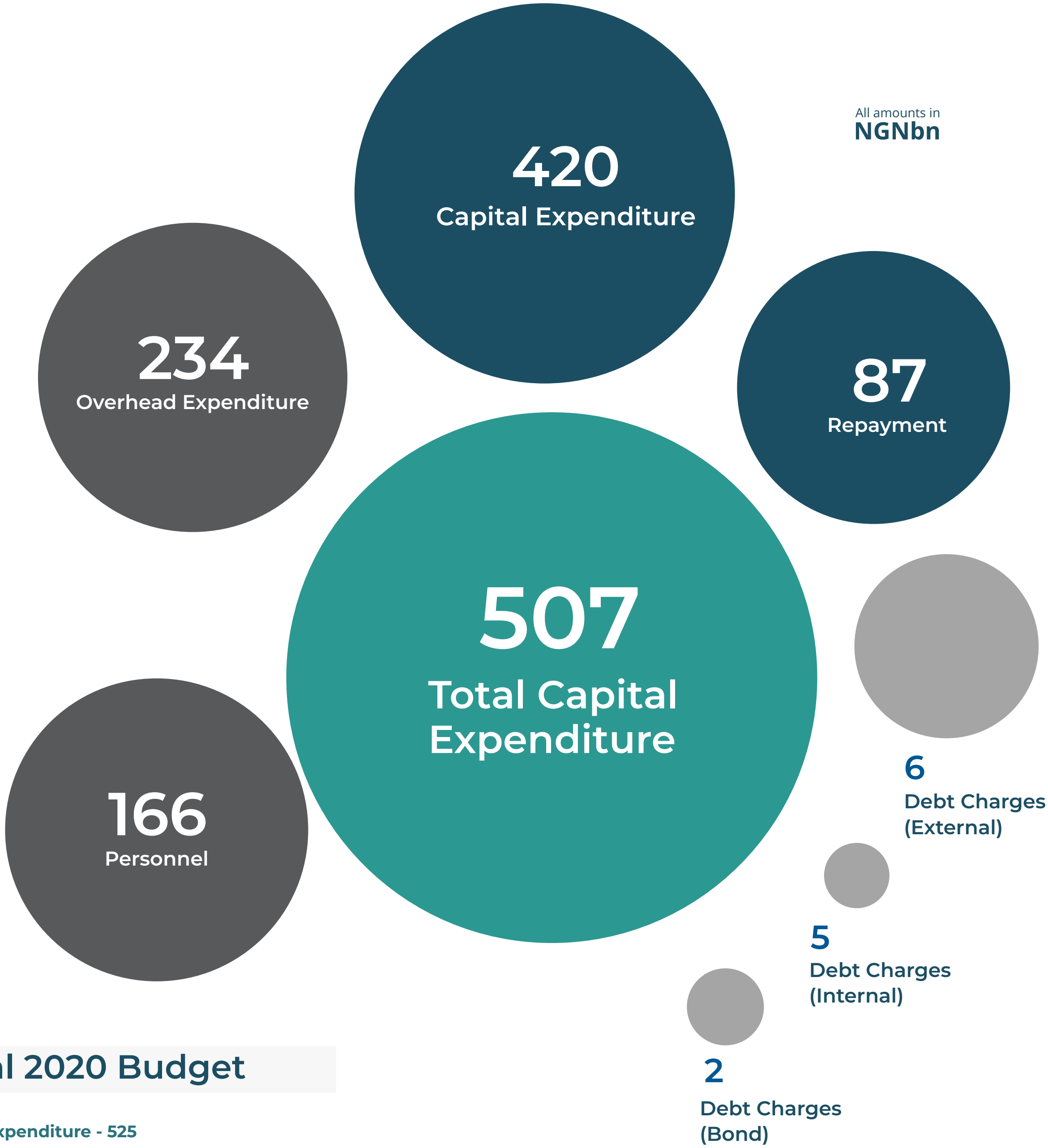
Federal Transfers



Financing



Where the Money Goes (Expenditure)



Initial 2020 Budget

Capital Expenditure - 525

Overhead Expenditure - 250

Repayment - 186

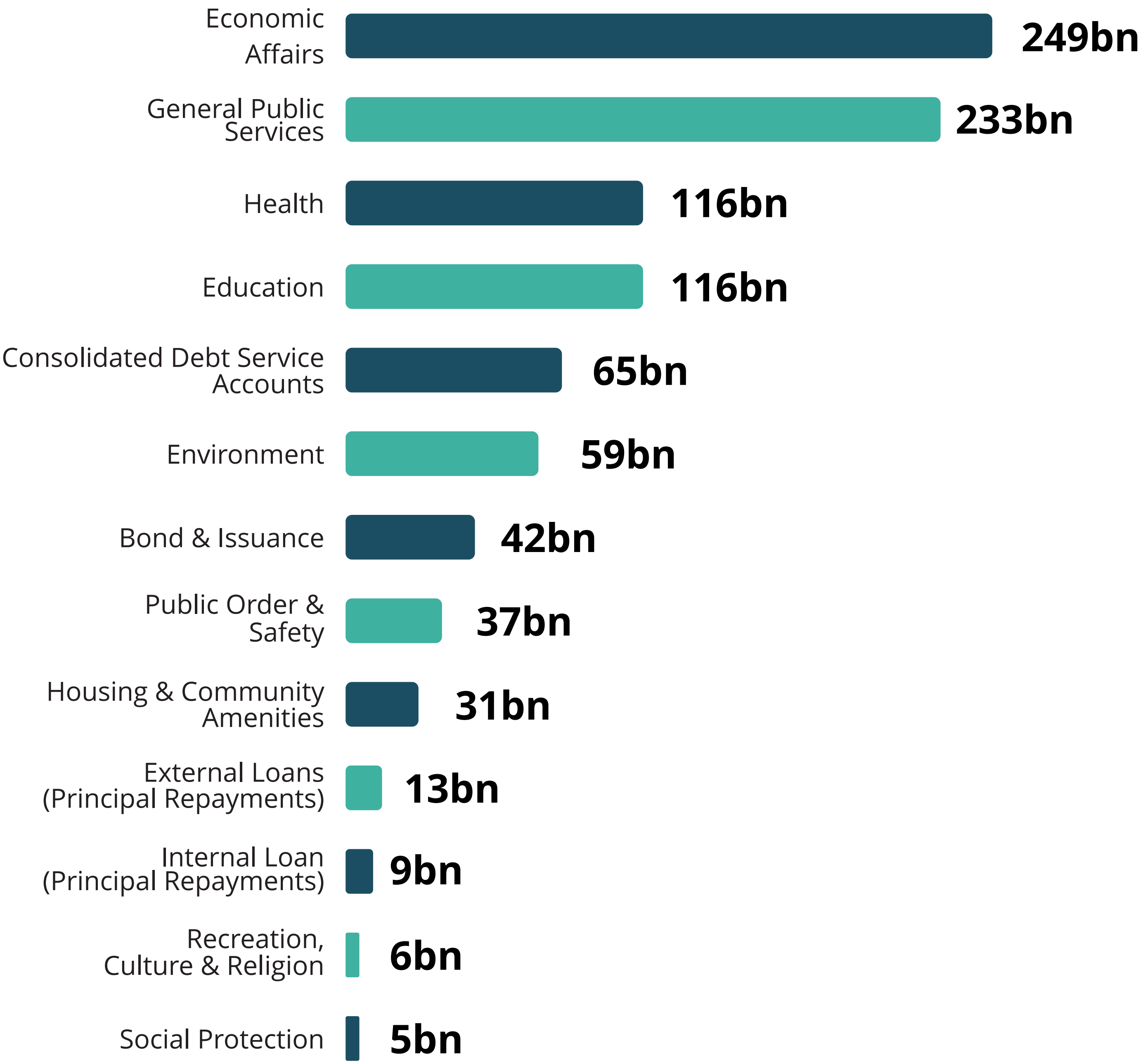
Personnel- 168

Debt Charges (External) - 30

Debt Charges (Internal) - 5

Debt Charges (Bond) - 3

Year 2020 Sectoral Allocation



Y2020 Budget Work Plan

SN	SUBJECT	ACTIVITY	PROPOSED DATE
1	Conclusion on 2019 & Inception of Y2020 Budget	a) Issuance of Budget Operational Guidelines	January,2020
		b)Y2020 Budget Analysis	January,2020
2	Budget Performance Appraisal	a) 4th Quarter/Full Year Y2019 Budget Performance Appraisal	January,2020
		b) 1st Quarter Y2020 Budget Performance Appraisal	April,2020
		c) 2nd Quarter/Mid-Year Review of Y2020 Budget Performance	July,2020
		d) 3rd Quarter Y2020 Budget Performance Appraisal	October,2020
		e) Y2020 Budget Performance Appraisal for the 4th Quarter/Full Year	January,2020

3	Implementation of the Y2020 Budget	a) Publishing of Citizens Guide	February 2020
		b) Publishing of Abridged Budget Document	March 2020
		c) Burning of detailed Budget into CD/hosting on internet)	March 2020
4	Commencement of Y2021 Budget Preparation	a) Meeting with Major Revenue Generating Agencies and Ministry of Establishment Training & Pensions on Fiscal Strategy 2021-2023	June 2020
		b)Preparation and Adoption of Fiscal & Sector Strategy for 2021-2023	June 2020
		c)Presentation of 2021-2023 Economic & Fiscal Update/MTBF to EXCO	July 2020
		d) Presentation of 2021-2023 Economic & Fiscal Update/MTBF to HOA	July 2020
		e) Function Group Budget Disaggregation Meeting	July 2020

		f) Submission of Function Group agreed figure	July, 2020
5	Commencement of Y2020 Revised Budget Preparation	a) Meeting with Major Revenue Generating Agencies and Ministry of Establishment Training & Pensions	April, 2020
		c) Presentation of Y2020 Revised Draft Budget to the State Executive Council	June, 2020
6	Commencement of Y2021 Budget Preparation	a) Presentation of Draft Y2020 Revised Budget to the House of Assembly	June, 2020
		b) Consideration of Budget Proposals by the House	June - July 2020
		c) Passing of Y2020 Revised Appropriation Bill	
		e) Budget Consultative Forum	
		I) Ikeja Division	August,2020
		ii) Badagry Division	August,2020

		iii) Lagos Island	August, 2020
		iv) Ikorodu	August, 2020
		v) Epe	August, 2020
7	Preparation of Y2021 Budget Estimates	a) Issuance of Y2021 Call Circular	August, 2020
		b) Workshop for Planning Officers in MDAs	August, 2020
		c) Uploading of Budget proposals into the Oracle	August, 2020
		d) Submission of Budget Proposals	August, 2020
		e) Evaluation of proposals	August, 2020
		f) Bilateral Budget discussions	September, 2020
8	Collation of Bilaterally Agreed Budget Figures	a) Compilation of Revenue, personnel Cost overhead Cost, Capital Cost etc	September, 2020
		b) Production of Budget summary table	September, 2020

		c) Passing of Y2021 Appropriation Bill	
9	Y2021 Draft Budget	a)Submission for Y2021 Draft Budget to His Excellency	September, 2020
		b) Presentation of Y2021 Draft Budget to the State Treasury Board	September, 2020
		c) Presentation of Y2021 Draft Budget to the State Executive Council	September, 2020
		d) EXCO Legislative Parley on Y2021 Budget	September, 2020
10	Legislative Processes	a) Presentation of Draft Y2021 Budget to the House of Assembly	September, 2020
		b) Consideration of Budget Proposals by the House	October - December 2020
		c) Passing of Y2021 Appropriation Bill	
11	Appropriation Law	a) Printing of the Appropriation Law	December,2020
		b)Assent of Y2021 budget by the Governor	December,2020

		c) Updating of Y2021 Approved Budget into the Oracle	January, 2021
	Conclusion of Y2020 Budget	Y2020 Budget Performance Appraisal for the 4th Quarter/Full year	January, 2021

Key Deliverables

Transportation & Traffic Management

The Sum of N51.366bn was budgeted for under the Transportation family for the following projects:

- Rail Projects
- Completion of Agege Pen Cinema Flyover
- Zero tolerance for potholes in the State
- Advancement of Lagos - Badagry Expressway
- Completion of Trailer parks in the State
- Full operations of Ikorodu (Ipakodo) –Elegbata- Marina, Ikorodu (Ipakodo) – Falomo- Marina ferry routes

Science and Technology

Making Lagos a 21 st Century being one of the THEMES agenda, the sum of N7.202bn has been provided for the following projects:

- Building & upgrading of IT Infrastructure Statewide,
- e-GIS Land automation system,
- Single Billing system and ease of tax payment,
- Levies and Other Revenue enhancement initiatives.

Education

Education Sector was allocated N115.69billion to execute the underlisted projects/programmes:

- Construction/rehabilitation of schools (300 schools would be renovated in Y2020. This is the first phase of the school rehabilitation programme);
- Provision of furniture for both primary and secondary schools, provision of equipment for science laboratories.
- Eko-Excel Project to improve learning outcomes using technology in early education.

Health

The Health sector has been allotted the sum of N97.685bn to enhance the projects listed below;

- Continuous upgrading/renovation of health facilities
- Completion of on-going healthcare infrastructure including Maternal and Child Care Centers (MCCs)
- The health insurance scheme.

Environment

A total sum of N59.002bn was earmarked for:

- Construction/upgrading/maintenance of drainage channels
- De-flooding Programmes procurement of specialized equipment for flood abatement purposes
- Waste management and collection in the state.
- Construction of Adiyan waterworks (phase II)
- Rehabilitation of mini waterworks
- Improvement of water pipelines and reticulation
- Procurement of water chemicals

Sports Development

To kick start sports at the grassroots' level, the sum of N3.450bn has been earmarked to:

- Complete on-going renovation work on Mobolaji Johnson stadium (formerly Onikan stadium), renovation of Teslim Balogun stadium, construction of community youth recreation centers across the state.
- Provide for sporting facilities in schools and location spread across Local governments across the State
- Develop grassroots football league in all the Local Government Areas.

Tourism

The sum of N2.059bn was budgeted for the execution of the project listed below:

- Development of Heritage Centre for Leadership (Lugard House)
- Upgrade of National Museum,
- Global Citizens Conference,
- Construction of other Tourism facilities in Lagos.

Housing and Community Amenities

The total allocation to the Housing and Community Amenities is N31.007bn to facilitate:

- Completion of on-going housing estates including infrastructure.
- Implementation of an electronic Certificate of Occupancy and Title re-certification project, issuance of e-planning approvals.

Agriculture and Food Security

Sum of N14.781bn was approved for:

- Foods and expansion program in rice production,
- Agric Youth Empowerment Scheme (Agric YES),
- Animal husbandry and root crops
- Collaboration with other states in the Federation.

Commerce and Industry

The sum of N3.162bn was approved for the following projects:

- Development of Lekki Free Zone
- Imota Light Industrial Park
- Gberigbe enterprise zone in Ikorodu

Wealth Creation and Employment

The sum of N0.521bn was earmarked to sustain

- Employment Trust Fund Scheme
- Implementation of Graduate Internship Programme
- Creation of Industrial Hubs.

Women Affairs

In order to reduce Poverty to a minimum level, the needs of women in the state are recognized and been provisioned for with a sum of N2.999bn to enhance the programes and project listed below;

- Upkeep and Maintenance of Skill Acquisition Centres
- Special poverty alleviation intervention programme for women
- Construction / maintenance of skill acquisition Centres
- Creation of hubs/training centers for women that are tech skills driven

Youth and Social Development

The sum of N3.054bn has been provisioned for:

- Construction/completion of elderly care centres in Ikorodu, Epe, Badagry, Alimosho and Lagos Island
- Upkeep, equipping / furnishing and maintenance of government owned youth hostel and centres across the state
- Conversion of Youth Centres to Makers spaces for employment & increased efficiency (tailoring, leather works, woodworks, etc.) driven

Security and Governance

The sum of N21.516bn was allocated to enhance security as well as to sustain Law and Order in the State with the:

- Provision of vehicles, security gadgets and logistics for Security services
- Purchase of specialized Fire Fighting Equipment.
- Improvement of street lighting in the state

CITIZENS' ROLE

We appeal to citizens to co-operate with the State Government through:

- Regular Payment of taxes.
- Timely Provision of information to security agencies.
- Monitoring of on-going Government projects and reporting observed
- lapses to appropriate Government agencies.
- Patronage and Protection of Public Facilities and Infrastructure.

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