**GOVERNMENT OF EDO STATE, NIGERIA**

**DRAFT 2024 BUDGET SPEECH**

**Delivered by:**

**His Excellency,**

**Mr. Godwin Nogheghase Obaseki**

**Governor, Edo State**

**Before:**

**A session of the**

**Edo State House of Assembly,**

**Benin City**

**Tuesday, December 5, 2023**

The Speaker,

Hon. Members of the House,

Distinguished Ladies and Gentlemen,

**SUMMARY**

To the glory of God Almighty, I stand before this distinguished house to express my profound gratitude to Mr. Speaker and the Honourable Members of this House for the unwavering support and solid alliance which has existed between us, these last 7 years.

This very cordial working relationship between the legislative and executive arms of government has created the convival environment which has fostered the progress which we have made in transforming the socio-economic landscape of our dear State.

Mr. Speaker, as this is my valedictory budget speech, I crave your indulgence to briefly reflect on our journey of transformation over the last seven years, a journey which may not have happened, but for the tremendous support which I have enjoyed from the good people of Edo State who you represent.

It has been a journey in which we have reversed the hopelessness hitherto experienced by our youths who were either migrating irregularly or being trafficked, to where we now train them in skills and give them job opportunities. A journey in which we have halted the decline in education and transformed Edo into one of Africa's accelerator states in education.

It has been a journey in which Edo State is being transformed from a civil service State to one attracting billions of dollars of investments from the private sector. A journey of transformation from analog to digital Edo, a journey, from a dark, dingy, dangerous State to one of light, electricity, safety and security. Edo State today is poised and ready to engage the world on its own terms based on her beliefs and principles.

It has not been an easy journey, but I will forever be grateful to God Almighty and the people of Edo State for this opportunity to serve over the last seven years. Through your legislative support, we have worked with our six-pillar agenda framework to achieve the following:

* We have undertaken fundamental reforms of our institutions, particularly the Edo State Civil Service and the Judiciary to improve service delivery to citizens.

* We have introduced major reforms in land administration all of which have improved the business environment in the State.
* We have enhanced the social welfare of Edo people by repositioning education through programmes like EDOBEST, and emphasized human capital development through EDOJOBS. We have improved our healthcare delivery system through programmes like EDOHIS. We have also brought sports back into the Edo Agenda
* We have built digital and electricity infrastructure in addition to massively extending the internal state road network.
* We have embarked on economic revolution in agriculture, technology, manufacturing and the creative industry.
* We have reclaimed our position as the culture capital of West Africa, utilizing our rich cultural heritage and advantage to ignite the creativity and artistry of our people and promote tourism into our State.
* We have taken concrete steps to stop deforestation and accelerate reforestation and the use of natural gas as a major strategy for us to meet our net zero goal.

Mr. Speaker, these have been the key planks of our reforms over the last seven years, which have fundamentally transformed the landscape of our state and reset the future.

We are very proud of our modest achievements and anyone can go and verify them.

**OVERVIEW OF THE YEAR 2023**

Mr. Speaker, the year 2023 has been characterized by political and economic uncertainties, especially with the devaluation of the naira by almost 100 per cent and the removal of fuel subsidy which led to a threefold increase in the price of Premium Motor Spirit (PMS).

These policies have added to the already tough economic and social conditions faced by our citizens, resulting in thousands more slipping into poverty.

Mr. Speaker and Honourable members, despite these challenges, we continued to keep faith with the mandate of delivering good governance to our people. We continue to focus on improving the welfare of our workers while emphasizing those policies which will help us overcome the current challenges we face.

We achieved these by ensuring expansion of the economic space, attracting private capital, improving the ease of doing business, upgrading public infrastructure and transiting to a more responsive and reliable digital work mode.

In the outgoing year, Edo State Government went fully digital, simplifying work processes and assuring better services for investors and other key stakeholders in government, setting the pace in Nigeria as the first government entity to go full-paperless.

We are proud to have set this record and are determined to sustain the gains made so far. We expect that with the investment made in building a tier 4 data centre and other interventions, we should be well positioned to adopt Artificial Intelligence (AI) in governance in the near future.

Aside from attracting private capital to drive economic activity, the new work mode has improved service-wide efficiency and performance thus ensuring speedy and better service delivery for our citizens.

These new improvements are reflected in public procurement, revenue collection, land management, project management, basic education, and healthcare delivery, among others.

All of these are powered by technology, built on a digital infrastructure spanning over 2000km of fibre optic broadband connectivity that runs across the 18 local government areas of the State.

This investment has implications beyond public service delivery, as it powers the digital economy, providing new opportunities for work and learning for our youths.

The transformative efforts have resulted in the digitisation of over 9 million government records, training of 6,000 staff and deployment of 10,000 digital devices to workers.

Majority of the activities of Edo State Government will now take place from six hubs or locations which are the Secretariat Hub with six buildings; the education hub in Iyaro; the Health Hub in the Stella Obasanjo hospital complex; the Agric Hub located in the ADP complex on Airport Road; the Built Environment Hub on Sapele Road and Transport Hub in the Ministry of Works complex. Majority of the offices have been rebuilt, furnished and connected to electricity from the Ossiomo IPP and high-speed fibre optic internet infrastructure.

**HUMAN CAPITAL DEVELOPMENT**

Mr. Speaker, we have continued to extend our investment in the basic education sector through the EdoBEST programme, so as to ensure a better, brighter and more fulfilling future for our children.

Under EdoBESST 2.0 reforms have began disarticulating JSS from SSS in line with the national policy on Education.

The Technical and Vocational Education and Training (TVET) is being redesigned to align technical education with the needs of industry and private businesses.

From the Edo State Polytechnic, Usen to the Edo State University, Uzaurie and the Ambrose Alli University, we have sustained sweeping reforms to improve teaching, upgrade infrastructure and support staff to attract private sector partnerships in institutional building and expansion programmes.

The Edo State Polytechnic, Usen, recently forged a partnership agreement with Shaanxi Polytechnic in China and Yong Xing Steel company to enhance the quality of technical education. Following the Investment Summit in Fujian Province, China, we have received a draft Memorandum of Understanding (MoU) from another Polytechnic for collaboration.

The Edo State College of Agriculture has also kicked off at the main campus in Iguoriakhi. It provides critical manpower to the state’s fast-growing commercial agriculture sector.

Three new parastatals have been established to reinforce the education system and ensure the delivery of quality education at all levels.

1. **Directorate of Educational Quality and Accountability** - Monitors both government and private schools, as well as supervises the management of private schools.
2. **Directorate of Higher Education** - Aims to reposition tertiary education for improved accessibility and quality outcomes.
3. **Agency for Mass Education** - Geared towards driving mass literacy across the 18 LGAs, overseeing privately owned Lecture Centers.

**HEALTHCARE**

Mr. Speaker, our reform of the healthcare sector in the State is taking firm footing as the backbone of the system, the Edo State Health Insurance Scheme which has now recorded over 200,000 subscribers.

Upon the disarticulation of the Central Hospital, we are improving facilities across a network of 50 Primary Healthcare Centres in partnership with the private sector. This will be supported by secondary, tertiary and specialist hospitals, which provide comprehensive healthcare across the three senatorial districts. We have completed the Out Patient Department at the Stella Obasanjo Hospital and installation of world-class equipment has commenced.

A key priority for our administration is to build the human capital required to drive the healthcare system. We are rebuilding and reaccrediting the Edo State College of Health Technology to train the personnel required to man and strengthen our primary healthcare system.

Indeed, our reforms in the healthcare system are yielding fruit with the incursion of more private players in the space. One of such is the world-class Merry Ehanire Mother and Child Hospital, which is to serve as a centre for medical tourism in the State as it boasts of bespoke facilities to manage a myriad of medical conditions.

**PUBLIC SAFETY AND SECURITY**

We have made huge improvements in public safety and security, owing to an innovative and pragmatic approach to tackling crime and criminality in the State.

We have trained not less than 5000 community police personnel under the Edo State Security Network (ESSN)in the last one year through investment in training facilities within the State. These personnel have been instrumental in our community-led intelligence gathering mechanism.

In collaboration with the Nigeria Communication Commission (NCC), we have set up emergency short codes - 112 and 739. These codes serve as a direct and efficient link for citizens to access emergency services promptly.

Additionally, a groundbreaking partnership with the Ministry of Health has been solidified, ensuring the seamless integration of Emergency Medical Services (EMS) with the state and a fleet of ambulances.

Concurrently, efforts are underway to fortify our surveillance infrastructure. The ongoing installation of street-wide cameras and lights represents a pivotal stride in bolstering our security apparatus and enhancing data collection capabilities.

We shall shortly be bringing a bill to this House for a law to make it mandatory for businesses and designated premises to install surveillance cameras.

Simultaneously, a dedicated committee has been established to create a Safety Commission tasked with overseeing safety compliance. This includes regulations pertaining to building safety, event safety, and fuel station safety.

**INFRASTRUCTURE**

We acknowledge the pains caused by failing Federal Roads in the State and have duly commenced palliative repairs on the affected roads, particularly Benin-Sapele, Benin-Agbor and Iruekpen-Sabongida-Ora Roads. As an alternative, we have also commenced repairs on the old Benin-Agbor Road, which will ease traffic on the new road.

Over the past year, we have successfully completed the construction of 565 roads, covering a total distance of 737.37 kilometers, with a total a total expenditure of N58 billion.

Under the various streams of the Edo State Employment and Expenditure for Result (SEEFOR), we undertook the construction of 300 roads, spanning 212 kilometers across the state.

Notable projects include the construction of the PZ-Ehioghae-Okabere-Oka Market Road, which links Sapele Road and Upper Sakponba; the Irhirhi-Aruogba-Obazagbon-Ogheghe Road; Ugbor-Amagba Road; St. Saviour Road; Benin-Abraka Road with spurs; the dualization of the TV and Ehaekpen road, and rehabilitation of failed sections on various roads.

In Edo North, we have successfully completed the construction of the Afokpella-Ogriga-Okugbe road with Awuyemi Spur, as well as the rehabilitation of the Secretariat Road in Igarra and several internal roads. In Edo Central, we constructed the Ekpoma-Iruekpen Road and the Idumebo-Ihumudumu Royal Market Road, among other impactful developments.

**PHYSICAL AND URBAN PLANNING**

The Edo State Regional Development and Benin City Masterplans stand as meticulous 30-year blueprints derived from a comprehensive socioeconomic development plan. In a remarkable feat, two pivotal laws, The Physical Planning and the Edo State Development and Building Control laws, were enacted in 2022 to fortify our regulatory framework.

The Operation Plan Edo (OPE) has been successfully concluded, alongside the formulation of masterplans for various Ministries, Departments, and Agencies (MDAs), with the housing policy approaching finalization.

As part of our innovative initiatives, the introduction of Conveyance letters for approvals showcases our commitment to strategic planning, regulatory enhancement, and sustainable development within the state.

These achievements underscore our commitment to strategic planning, regulatory enhancement, and sustainable development within the state.

**INVESTMENTS TO SPUR ECONOMIC REVOLUTION**

Mr. Speaker, investors in the Edo State Oil Palm Programme (ESOPP) have started harvesting from their plantations, which makes us really proud of the decision to expand the investment space to allow for more private investors.

Two ethanol plants are set to be commissioned in the new year and will commence production, providing more jobs and businesses to our people and further boosting economic growth.

We expect that more plantations and processing plants will come on stream in the coming months, setting Edo properly as an industrial haven and boosting our revenue in the long run.

We are also working in partnership with private investors on the 169-key Radisson hotel development, which we expect will serve as a gold standard within the State’s rapidly developing hospitality and tourism sectors.

In an effort to decongest Benin City, we kick-started the Coral City development project, an innovative smart city that offers high, medium and low density commercial and residential plots to buyers.

It complements other efforts in opening up the State's real estate sector such as the Emotan Gardens, Golf Mews and Golf Heights.

Mr. Speaker, as we prepare to leave office, there is an imperative to ensure sustainability of the interventions we have undertaken these past years, especially as it relates to our development plans.

So, we will soon be approaching the House for legislation to enact laws to guarantee long-term planning efforts.

Mr. Speaker and distinguished members, we are on a home run and we are determined to finish strong next year. As a result, we are committed to completing the projects we have started and making remarkable progress on our legacy projects.

We are ready to make the necessary adjustments to attract the right kind of investment and partnerships to build a reliable foundation for Edo’s future. Working together, we are sure of finishing strong and ensuring our people live life to the fullest.

In mitigating the fallouts of the subsidy removal, we introduced a number of social safety nets, such as the provision of free Wi-Fi connectivity in public spaces to ease work and also provide a platform for youths to participate in the gig economy.

We also introduced free bus rides in the State through the Edo City Transport Service (ECTS), with an initial two-month pilot phase.

Over 1.5 million residents benefitted from the first phase of the scheme which covers all intra and intercity routes operated by the State-owned Edo City Transport Services (ECTS).

**MACROECONOMIC ASSUMPTIONS**

The July 2023 IMF World Economic Outlook predicts a global economic growth reduction from 3.5 percent in 2023 to 3.0 percent in 2024.

In Nigeria, the ongoing measures by the Central Bank of Nigeria (CBN) to curb escalating inflation persistently impact economic activities. Meanwhile, global headline inflation is projected to decrease from 6.8 percent in 2023 to 5.2 percent in 2024.

The multiple shocks besetting the global economy could leave long-lasting scars that will keep economic prospects below their pre-crisis levels over the medium term.

The slowdown in global economic activity is broad-based and sharper-than-expected, with inflation higher than seen in decades.

Risks remain unusually high as monetary policy management may be unable to reduce inflation. Diverging policy paths in the largest economies could exacerbate the US dollar’s appreciation, while tightening global financing could trigger emerging market debt distress.

Nigeria’s Gross Domestic Products (GDP) growth remained weak and fragile as it slowed to 2.31% in the Q1 of 2023, from 3.5% in Q4, 2022. The reduction in growth is attributed to the adverse effects of the cash crunch experienced during the first quarter, as well as the elections.

Foreign reserves continue to decline, reaching $33.95 billion as at the end of July.

After relative stability in the rate of N400-550 to USD from mid-2021, the Naira was allowed to free float in June 2023, causing an immediate devaluation to an official rate of around N750 to the USD.

Crude oil production has steadily declined over the last eight years and have continued to fall below capacity and below the FGN benchmark of 1.69 MBDP.

**OUTLOOK FOR 2024**

Our outlook for 2024 is anchored on the 2023 actual performance baseline adjusted for inflation and GDP growth. We have assumed an inflation of 25% in 2024, with trickle down impact resulting in a 40% effective inflation rate.

Mr. Speaker, as a subnational we have very little say on monetary policy but our aim is to stabilize our macro-economic environment through effective use of limited fiscal policy. This will enable businesses, investors and households plan and implement production, investment and consumption activities effectively within our state.

The State’s fiscal policy is envisaged to control and enforce compliance with established spending limits to achieve a sound budgeting system, which include aggregate fiscal discipline, allocative efficiency and effective spending that can propel Edo State’s economy to be among the top three most developed states in the country by 2050.

Growth will mainly be driven by fiscal stimulus helped by an expected increase in the receipt from the centre due to increase in oil prices. In addition, anticipated growth in non-oil sectors (agriculture, manufacturing and services) will be central in overall GDP growth.

We have adopted a 5% GDP growth target for 2024 (as against the 3.75% GDP growth target in FGN MTEF). This reflects our expected growth in the domestic economy resulting from the size and quality of government capital expenditure in 2024 and private sector investments in the same period.

**2024 BUDGET HOME RUN: FINISHING STRONG**

Mr. Speaker, the 2024 budget is christened ‘**Budget Home Run: Finishing Strong.’** Despite the global economic headwinds and attendant implications for the national economy, we intend to marshal resources to complete ongoing projects across the State in furtherance of our commitment to the wellbeing and prosperity of Edo State.

Though resources are not at the optimum and our revenues are severely impacted by prevailing lag in the economy, we will sustain efforts to improve the ease of doing business, consolidate on other key reform programmes and conclude all transactions needed to stimulate economic growth.

**BUDGET ESTIMATES FOR 2024**

Mr. Speaker and Honourable members, our budget size for 2024 fiscal year is N325.3bn, which is a slight increase from the 2023 budget. This year, the budget is made up of N178 billion for Capital and N146 billion for Recurrent expenditure.

The inflation occasioned by the floating of the Naira means that in actual terms the budget is only slightly higher than the previous year’s budget.

The revenue estimates are based on a $65 per barrel benchmark for crude oil with an average daily production of 1.60m barrels per day as well as an increase in Internally Generated Revenue (IGR) to N72bn, which will be bolstered by reforms in revenue collection, property laws and land management reforms.

We are intensifying efforts to sanitise the State’s property market and restore discipline, ensuring that the right permits are obtained for construction.

To this end, we expect a capital/recurrent expenditure ratio of 55 per cent to 45 percent respectively. With this, we would invest in critical infrastructure necessary to solidify our economic expansion plans and place the state on a path of incremental growth, which will be driven by accelerated industrial and manufacturing output as well as tourism and the creative sector.

The total projected revenue for 2024 is N303 billion, consisting of N55billion statutory allocation, Value Added Tax (VAT) of N38billion, capital receipts of 40bn; IGR of N72 billion and N10 billion from grants, among others. The balance will be sourced from development financing and other financial institutions.

**OUR FOCUS IN 2024**

The 2024 budget is informed by the need to build a resilient and sustainable foundation for the reforms, initiatives and programmes that we have embarked on in the last six years.

The ultimate target is to promote economic expansion, technology, arts and culture, social inclusion and economic empowerment for Edo citizens, through sustained investments across various sectors of the economy necessary to drive growth and development. Public Private Partnership (PPP) will continue to dominate our investment initiatives in the new year.

Some of the key goals and priorities of the 2024 budget areas follows:

**Economic growth and stability**

* Public Safety and security
* Business Environment Reform (Infrastructure Investment, investment in technology)
* Job Creation (technological innovations)

**Deepening the Public and Civil Service transformation**

* Technology enhancement
* Recruitment (phase 2)
* Training

**Human Capital Development**

* Education Sector Reform
* Health Sector Transformation

In 2024 fiscal year, our focus is on the following sectors:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **KEY SECTORS** | **CAPEX** | **REX** | **TOTAL ALLOCATION** | **%** |
| 1 | **GROWTH & EMPLOYMENT ENABLERS** |         28,768,657,103 |            53,536,799,231 |    85,455,456,334 | 25% |
| 2 | **ROAD/TRANSPORT INFRASTRUCTURE** |         61,450,000,000 |            1,390,000,000 |    62,840,000,000 | 19% |
| 3 | **HEALTH** |     19,000,000,000 |           14,639,000,000 |     33,639,000,000 | 10% |
| 4 | **EDUCATION** |         18,800,000,000 |           13,595,000,000 |    32,395,000,000 | 10% |
| 5 | **BUILDINGS, PHYSICAL PLANNING & DEV. CONTROL** |         19,875,086,936 |             1,730,417,620 | 21,605,504,557 | 7% |
| 6 | **SOCIAL WELFARE/BENEFITS** | - | 16,650,000,000 | 16,650,000,000 | 5% |
| 7 | **ENVIRONMENT** |           4,000,000,000 |             1,255,014,779 |       5,255,014,779 | 2% |
| 8 | **ELECTRICITY** |           2,600,000,000 |            4,942,000,000 |        7,542,000,000 | 2% |
| 9 | **AGRICULTURE** |           5,900,000,000 |             1,120,000,000 |        6,520,000,000 | 2% |
| 10 | **YOUTH, SOCIAL DEVT & GENDER** | 3,150,000,000 | 3,491,000,000 | 6,641,000,000 | 2% |
| 11 | **OTHERS** |  |  | 54,691,492,053.76 | 16% |

**ECONOMIC DEVELOPMENT**

We have made an allocation of N85bn to drive economic and employment enablers. These will enhance the ease of doing business and also facilitate the injection of private capital into the economy to create more opportunities for our teeming youth population.

Some of these include investment in our legacy projects including the Benin Enterprise Park, the Benin Port Project and the Trailer Park projects, among others, which will spur economic expansion and growth.

**ROAD AND TRANSPORT INFRASTRUCTURE**

We are intentional about development of road and transport infrastructure in 2024 with the provision of N62.8bn in the budget. We are not oblivious of the pains and anguish faced by our dear people over these past years and would deploy resources to ensure that we finish strong on this front.

To this end, we will ensure to complete all road projects started by my administration, focusing on internal road networks and also progressing on development of trailer parks in the State. We have opened discussion with the investor who the Federal Government concessioned the roads to with the aim of them working with the Edo State Transport Authority to ensure a more robust ecosystem to facilitate the development of critical infrastructure to drive economic development.

**EDUCATION**

In the education sector, we will consolidate on reforms to ensure widespread adoption of EdoBEST 2.0 across the education ecosystem. All basic and secondary schools in the State will fully transition to the digital mode of learning with the investment we are making in the sector this year. On the administrative end, the Edo Education Hub will come to fruition with the speed of development.

Work is ongoing on our technical schools. Higher education reforms will continue and we have set a target of pushing the boundaries of research and innovation that will drive Research and Development of new products. For these, we have a budget of N32bn for the education sector this year.

**HEALTH**

We have set aside N33bn about 10% of the budget to address the needs in the health sector. This includes funds for the completion of the In-Patient Department as well as Accident and Emergency Wards of the Stella Obasanjo Hospital. This will also cover more work across the Primary Healthcare Centres across the state.

We are also making statutory payments for the Basic Health Care Provision Fund (BHCPF) and our own Edo State Health Insurance Scheme, which provides necessary impetus to attract more private sector providers into the State and also cut out-of-pocket spending for health services.

**TECHNOLOGY AND YOUTH ENTERPRISE**

In 2024, we will continue to expand the technology space in the State. We are currently one of the first states to run a State-owned data centre, which will spur more investment in our State’s economy. We will fortify this infrastructure and also build on the gains made with the establishment of the Edo Tech Park.

With full transition to paperless government, we will sustain efforts to ensure the security of our infrastructure.

With the deployment of fibre optic internet connectivity across the State’s 18 local government areas, we stand the chance of further expanding the economy in areas such as e-commerce, e-learning, e-health and set the stage for the deployment of Artificial Intelligence (AI) in government processes.

**APPRECIATION**

Mr. Speaker, I want to thank all Edo people, who have through the years stood firm in my belief and vision for a better and more prosperous Edo State. They have stood to be counted when it mattered the most and have worked together with us in actualising the programmes, initiatives and reforms we have undertaken since my first term in 2016.

My sincere appreciation goes to the market women, traders, artisans, youths, civil society groups, traditional rulers, religious leaders, organized private sector, media, government workers and all others too numerous to mention, who defied the odds in working for the transformation of our dear State.

I specially thank our Royal Father, the Oba of the great Benin Kingdom, Omo N’Oba N’Edo Uku Akpolokpolo, Oba Ewuare II, and other Royal fathers in the State for their support and guidance.

I appreciate the leadership of our party, the Peoples Democratic Party (PDP) and our leaders and members across the State. We undertook an arduous task of transformation and today, we have a good story to tell.

Mr. Speaker and honourable members, it is my pleasure and honour to present to you, the Edo State 2024 Appropriation Bill of N321billion, and details of the Budget proposal for your consideration and approval.

Thank you for your kind attention.