



# LAGOS STATE GOVERNMENT

## **THE PRESENTATION OF THE YEAR 2021 BUDGET PROPOSALS, TO THE LAGOS STATE HOUSE OF ASSEMBLY**

BY

HIS EXCELLENCY, MR BBAJIDE OLUSOLA SANWO-OLU

**THE EXECUTIVE GOVERNOR OF LAGOS**

10TH NOVEMBER 2020

## PROTOCOLS

### THE BUDGET OF REKINDLED HOPE

**Mr Speaker,**

It has been almost 18 months since I became the 15th Governor of Lagos State: while the last one and a half years have been consequential and memorable: today's budget presentation provides an opportunity to enunciate our fiscal vision for the next one year while quantifying our challenges, triumphs and developmental achievements in the last 12 months.

In November 2019, I presented a Year 2020 comprehensive budget to this Honourable House in line with the policy thrust of my administration, which we christened **The Budget of Awakening to a Greater Lagos**. I am here today to present the Year 2021 Appropriation Bill, which we have rightly christened the Budget of Rekindled Hope.

The year 2021 is one of Rekindled Hope in accordance with recent events of global and national proportions especially the coronavirus pandemic, the EndSARS protests, the general feeling of disenchantment in the polity, the socio-economic yearnings of Lagosians for good governance, and the stringent calls in all societal spheres for a more representative democracy that speaks to the issues of sovereign wealth, economic growth, consistent progress and equitable quality of life.

Mr Speaker, the 2021 Appropriation Bill encompasses the message of rekindled hope, the same message we have been disseminating to Lagosians since March when we experienced the first COVID-19 case and since October 11 when the ENDSARS protests first erupted in Lagos State.

More than ever before, our government remains committed to communal cohesiveness and inter-ethnic unity. We will resist every attempt to cause division among the numerous ethnic nationalities who call Lagos State home. Lagos State remains a microcosm of the entire African continent and a melting pot for all Nigerians: nothing and no one can undermine our security, continued oneness, and our unrivalled dedication to the prosperity of our people.

This budget presentation reflects our desire to rebuild the trust of our people in this government even as we commit significant human and financial resources to the rebuilding of Lagos while doing all we can to move on from the looting, arson, destruction, and vandalism which we witnessed in this state barely three weeks ago.

Let me reiterate that this is the time for all of us to unite for a more prosperous Lagos State: this is the time to collectively optimize emerging opportunities in a rapidly changing globalized world. We have audacious governance goals, which we cannot achieve without the concerted efforts of all our people- we should not allow the events of the past few months to obliterate our consistent cycles of socioeconomic progress. Let us begin to rebuild our state with determination and optimism, even as we advance the interests of the electorate and restore their confidence in this government.

I want all Lagosians to know that the protection of lives and property remains a priority of this administration: to the entrepreneurs whose businesses were looted and vandalized, I urge you to take the helping hand offered by the Lagos State Employment Trust Fund while we work on other interventions to cushion the effect of your losses. We are in this together, we share the resilient Lagos Spirit, which abhors defeat; we must be intentional about courageously rebuilding Lagos State, which has always been reputed for its political and economic freedom.

Before I delve into the 2021 budget estimate, may I at this juncture crave your indulgence to offer a minute silence in honour of our heroes, our youth and our children, as well as our gallant police officers, who lost their lives during the ENDSARS protests: they lost their lives while trying to make Nigeria a better place, a country we all can be truly proud of.

May their souls rest in peace.

Mr Speaker, as we make our financial projections for 2021, it is only appropriate that we contextualize the events and challenges of the past 10 months vis-à-vis the major events that have shaped the world and our country. Two major events that have shaped our outlook for the future are: the COVID-19 pandemic and the ENDSARS campaign, which with your permission I will now speak to:

## THE ENDSARS PROTESTS

We identified with, and continue to identify with, the legitimate objectives of the ENDSARS protests; we are just as passionate about ending police brutality, encouraging reforms in our security agencies, and ensuring that the police are held accountable for their actions. Unfortunately, in spite of all our best efforts to meet the immediate demands of our youth, and set in action plans to comprehensively address longer-term demands, and despite the original noble ideals of the protest, the protests were very sadly hijacked by the agents of destruction who dealt a great blow to lives, businesses and several strategic assets in our dear State.

The unprecedented damage cost us public and private property worth hundreds of billions of Naira, some being irreplaceable historical artefacts and materials.

Coming in the same year as the Covid-19 pandemic, which I shall touch on shortly, one does not need to be an economist to fully understand the extent of the dire situation Lagos now finds itself in. Apart from the devastating present and future costs of these substantial disruptions on economic productivity, and on the government's revenue-generating capacity, there is also the substantial mental and psychological toll on all of us.

We, however, remain focused despite these challenges. This is who we are as Lagosians – we bounce back, we adapt, we thrive, regardless of the circumstances. As I noted earlier, this Budget I am presenting to you today is taking into full account the challenges we have had, and will outline a path to full fiscal and economic recovery. It is a document built on the resilience and energy of our people, and also one that seeks to build on the foundation of the many important lessons we have learnt this year, 2020.

## COVID-19 PANDEMIC

Lagos State has been the epicentre of the COVID-19 pandemic in Nigeria with **21,834** cases, which is **34%** of the total number of recorded infections in Nigeria. At the onset of the pandemic, it was clear to us, that given the nature of our import dependent economy, and the impact of the

pandemic across the production centres of the world, there would be a negative impact on our economy.

I can, however, state with confidence that we performed better than expected: we recorded only about **18%** of expected cases and about **10%** of expected fatalities, which can be considered one of the best global outcomes.

Even as we continue to record a steady decline in the number of new infections, we however should not relent in our ongoing containment and management strategy of curbing this scourge. Barring unforeseen circumstances, we will continue to maintain a strong pandemic response and remain relentless in keeping our numbers at the barest minimum.

Honourable Speaker, permit me to use this opportunity to acknowledge the sacrifices of our frontline workers- from the doctors, to the emergency responders, the nurses, the medical lab technologists, the isolation centres workers and others too numerous to mention.

I must also specially acknowledge the people of Lagos, the Organised Private Sector in Lagos, Non-governmental Organizations and the Federal Government, who significantly collaborated with the Lagos State Government to resolutely fight the pandemic to achieve the current outcome.

Through the joint efforts of all stakeholders, Lagos State mounted a strong multi-faceted pandemic response to minimize the risks of a catastrophic outcome by promoting socio-economic stability during the pandemic. We setup an Incident Command System to facilitate easy and speedy resource mobilization to manage the outbreak. We reorganized the budget to both acknowledge a 24% reduction in expected revenue (about N240billion) and to increase funds for initiatives to sustain productivity. We also executed our Business Continuity Plan by creating a war cabinet and emergency business protocols to ensure that governance continues, and to ease community engagement and increase efficiency across the various MDAs.

Ladies and Gentlemen, despite the harsh economic climate occasioned by the Pandemic, I am pleased to report that Lagos State invested heavily in

several interventions to minimize the health and economic implications of the pandemic. Specifically, we:

1. Accelerated testing capacity by designating 30 Sample collection centres across **20** LGAs, partnering with 11 accredited Private laboratories to reach a testing capacity of 2,000 daily. We increased our isolation capacity with eight isolation centres and accredited four private hospitals to manage COVID-19 patients. Using 1,000 contact tracers, over 20,000 people were traced in Lagos State with over 900,000 households reached.
2. In line with our deliberate citizens engagement strategy, we increased the level of proactive communication and collaboration with citizens. We had over 20 status updates, which I delivered as Incident Commander with daily case count updates; as well as containment and management strategies that had been initiated by the State.
3. We facilitated the first phase of the 6,000 unified fibre duct infrastructure deployment under a PPP initiative to bring high speed broad band internet access to homes, offices and other institutions like schools and hospitals. I must thank Mr Speaker, Rt. Honourable Mudashiru Obasa, who led the House of Assembly to approve this during the very difficult COVID-19 lockdown. We expect Broad Band Internet access to increasingly drive the way business is conducted as we reimagine our future as a 21<sup>st</sup> century mega city.

This forms the first part of our smart city initiative, which also includes the installation of 2000 intelligent cameras around critical points of the State; which we firmly believe will go a long way towards mitigating crime; enhancing traffic management and improving on data gathering - all on the back of an improved citywide coordination from our command and control center.

We have also deployed electronic devices to over 9,000 teachers and 35,000 students. We intend to continue to expand this program by working with the private sector to reach 20,000 and 1,000,000 devices for teachers and students respectively. I am pleased to also inform you that we launched EKOTELEMED- the first state-wide telemedicine platform in

Nigeria. This is unprecedented and I am proud of this achievement. The challenge COVID-19 created in social distancing has indeed laid the foundation for Lagos as a Smart City-State with the intention of being the technology hub for Africa, and this will outlast the pandemic.

4. To boost employment and encourage entrepreneurs, **N103billion** was invested in infrastructure to signal our faith in the future, provide employment and downstream contracts for MSMEs. In addition, we extended the tax-filing deadline by 60 days and loan moratorium by 90 days to ease their working capital challenges. We also committed **N4.8billion** to enable the **LSETF** to leverage over **N10billion** in support to MSMEs with low interest loans.
5. We also provided **19** job programs to limit layoffs and stimulate growth in high employment sectors. These programs will create over **395,000** jobs within few months by targeting those sectors with the proven ability to create the greatest number of jobs e.g. construction & agriculture. The average monthly wage for all the jobs is about **N55,000**, which is greater than the national minimum wage. We have also flagged off the paid internship program to allow **4,000** young graduates to get work experience.
6. Lagos state is also home to many vulnerable households who need our support. We set up 202 food distribution centres across all 20 LGAs, ensured over 37,000 Households got packs of raw food and fed over 100,000 indigent youths through the daily food kitchen program. In addition, we collaborated with the Federal Government to facilitate conditional cash transfers of **N136,200,000** to **6,810** vulnerable households.
7. I am exceptionally proud of the hard work, diligence, sacrifices, and tireless efforts of every member of this Government: their willingness to go above and beyond has put Lagos State on an enviable pedestal.

## REVIEW OF THE Y2020 BUDGET

Mr. Speaker and Honourable members of this house, let me seize this moment to thank you for rising to the occasion by approving the revision of the 2020 budget to accommodate the exigencies of the coronavirus pandemic.

In May, we were compelled to slash our 2020 budget by 21%, in line with new economic realities. The budget was slashed from N1.169 trillion to N920.5 billion. The Lagos State House of Assembly approved the revised budget in August 2020 with a **10%** reduction in recurrent expenditure and a **24%** reduction in capital expenditure. The revised 2020 Budget Appropriation Bill approved by this House has a total revenue of **N812.47billion** and a deficit financing of N108.01billion. The recurrent expenditure is **N413.41billion**, while capital expenditure is **N507.06billion**, making the capital to recurrent ratio **55:45**.

As at September 2020, our total Revenue performed at **98%** while our total Capital Expenditure and total Recurrent expenditure performed at **71% and 83%** respectively.

At the end of the first quarter of 2020, the overall budget performance was **56%**; and **57%** at the end of the second quarter and rose to **77%** by the end of the third quarter. The trend of our budget performance has been progressively better; we are optimistic about closing the year with a performance level of at least **86%** irrespective of the challenges.

Mr. Speaker, I am proud to report to you today that despite the daunting challenges, we have made remarkable progress in all crucial sectors especially Finance, Health, Education, Transportation, Agriculture, and the Environment.

## SECTORIAL ACHIEVEMENTS AND PROJECTIONS

We must not forget that the success of this administration is predicated on our ability to generate wealth, without which we cannot take care of our people. Consequently, we see every challenge as an opportunity to act; and I am proud to tell you that despite the gloomy socio-economic outlook across the world and dwindling oil revenue, Lagos State has made significant fiscal progress.

### Finance

We were able to successfully restructure all existing internal loans from an interest rate of 20% to 12%, and in some cases single digit interest rates; resulting in a cumulative cost savings of N12billion: Our debt portfolios will also be held as much as possible in Naira to reduce our foreign currency exposure risk.

Although revenue collection remains a major challenge, we will continue to enjoin Lagosians to pay their correct taxes so that we can all enjoy inclusive development, which is a major thrust of this administration. On our part, we will assiduously work at improving the tax system through revolutionary reforms that enable easy tax collection and payment.

Another major achievement in the outgoing fiscal cycle is the successful review of the 2018 Land Use Charge Law. The law now accommodates the yearnings of Lagosians for a more friendly, modern and realistic Land Use Charge Law.

We strongly believe that with the new Land Use Charge Law and other complimentary initiatives like the E-GIS, E-Tax and the Lagos State Real Estate Regulatory Authority (LASRERA) Electronic Platform, the sector will be better organized, providing improved service from government to the sector stakeholders and increase the valid revenue to the state from the sector.

Mr. Speaker and Honourable Members of the House, in light of keeping the costs of governance low and to signal selflessness in public service, we will be sending a draft executive bill to the House imminently for the repeal of the **Public Office Holder (Payment of Pension Law 2007)**, which provides for payment of pension and other entitlements to former Governors and their

Deputies. It is our firm belief that with dwindling revenues and the appurtenant inflationary growth rates, that we need to come up with innovative ways of keeping the costs of governance at a minimum while engendering a spirit of selflessness in public service.

## **Health**

Quality healthcare remains an important thrust of our administration's agenda. We are cognizant of the fact that healthy people build healthy economies. We, therefore, prioritize preventive healthcare while we optimize the supply and the demand aspects of our healthcare services. I am proud to inform you that in 2019, Lagos State had the highest subnational health spend and even before the coronavirus pandemic. This year, our health sector had a budgetary allocation of **N97 billion**, with **N25 billion** earmarked for the construction, refurbishment and equipping of our Health Care Centres across the State to achieve fit for-purpose healthcare centres.

In tackling the pandemic, we committed additionally, a major chunk of the **N20billion** COVID-19 intervention fund to the health sector. I can confidently say that for us in Lagos State, the pandemic has led to significant improvements in our health care facilities and systems. We expect the health allocation to grow from 12.4% to 13.5% over the next three years especially as we construct more health facilities and renovate existing ones.

Mr. Speaker and Honourable Members of the House, I am pleased to report that we have completed the equipping and furnishing of the Maternal and Child Center at Badagry and Epe, and we are also at present rehabilitating the General Hospitals at Isolo, Ebute-Metta and Harvey Road.

In the vein of our ongoing construction and rehabilitation efforts in the health sector, I must mention that we are also going ahead, this year, with the construction of the New Massey Children's Hospital, which when completed will be the largest Children's' Hospital in the whole of Sub-Saharan Africa.

In addition to this, we will also be flagging off the construction of the Ojo General Hospital, as well as the construction of a state-of-the-art Psychiatric Hospital at Ketu-Ejirin.

We are also equally committed to building the Lagos State Infectious Disease Research Centre, which will be our response to strengthening our infectious disease research and development capabilities.

We have also increased to **205** the number of empanelled health facilities under the Lagos State Health Management Agency (LASHMA) to provide health services under the State Insurance Health Scheme. In addition, we recruited **760** health workers to boost service delivery in the health sector.

We are duty-bound to ensure that when Lagosians walk into any government owned health facility, the quality of care they get is comparable to what is obtainable in any standard hospital in developed countries.

## **Education**

Mr. Speaker, Lagos State recognizes the transformative potential of education, which is why the education sector remains a major focus of this administration. Nothing will deter us from committing adequate resources to qualitative education because it is the bedrock of any forward-looking society. We have revolutionized our education sector with cutting edge technology, constant training of teachers, continuous renovation and construction of schools, and the expansion of our skills acquisition centres.

We recognize that early child education is the foundation of all learning endeavours, in our resolve not to leave any child behind; we launched the EKO EXCEL Program to improve learning outcomes in our children. As mentioned earlier, with the deployment of the 9000 devices to our schools, we have thus been able to train 9000 teachers while providing complementary textbooks and other ancillary teaching aids for over 350,000 students. These devices will serve as teaching aids. Under our school digitization program, we will also give our students electronic devices. I am specifically excited about this program as it speaks to the future of children and our state.

In addition to this, we have constructed and rehabilitated a total of **589** classrooms and a cumulative total of **1,568** bed hostels in our secondary and primary schools. We have also provided furniture for about **220,000** students.

It is a fact that for many indigent families, education is their only hope; it is more or less, the only lifeline with which they can be lifted out of poverty, and they hold tenaciously to their belief in the State Government to provide their children with both qualitative and quantitative education.

We are, therefore, saddled with the responsibility of creating better opportunities for our children through the provision of quantitative and qualitative education that truly liberates and eventually leads to economic development.

Let me assure you that our investments in the education sector have begun to yield results. In the 2020 National Junior Engineers, Technicians and Scientist (JETS) Competition; the State Contingent (Male & Female Students) received 11 trophies and 14 medals.

Also, Lagos State emerged the overall best at the National Finals of the National Robot Olympiad in September 2019 and thereafter, qualified to represent Nigeria at the World Robot Olympiad held in Edutus, Hungary: the Lagos team emerged 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> in Africa.

I am also pleased to mention that just last month, our very own Oriwu Senior Secondary School Ikorodu emerged the overall best School in the Federation.

Our tertiary institutions are not left out as the Lagos State University Ojo (LASU) emerged the 2<sup>nd</sup> best Nigerian university in The Times Higher Education (THE) World University Ranking for 2021, and the first among state and private universities in Nigeria.

From cradle to career, our approach to education is predicated on boosting learning through technology and other modern pedagogical tools. In the last 500 days, this administration has renovated over 20 libraries and information technology centres across the state's six education districts: we have also trained over 100,000 students in coding through CODE Lagos: a program that covers 656 public and private schools in the state. Our education policies and interventions reflect our current realities, which is why we are the first state in the country to approve the **E-learning** infrastructure for state-owned tertiary institutions- to mitigate the effect of the pandemic on our students' access to education. With **N253m** already disbursed as

bursary award for **8,246** beneficiaries and **N190m** as scholarship awards to **845** beneficiaries, we are set to do more in ensuring that nothing deters our people from access to good education.

## **Transportation and Infrastructure**

Mr Speaker, our audacious disposition to governance is evident in our approach to transportation and traffic management, which is the first pillar of this administration's overarching THEMES Agenda.

In line with this, we made the decision to resolve 60 identified gridlock points across the state in addition to converting six critical junctions and roundabouts (Ikotun, Opebi and the series on the Lekki Epe Express Way) to synchronized signalization to increase vehicular capacity.

We are also commencing some strategic transportation projects: We have now reached financial close for the Red Line Railway Project under a long-term bespoke best-in-class financing structure for about

N100billion at a single digit interest rate. This 24km rail line from Agbado to Oyingbo will reach Marina in its second phase. When completed, it will have eight train stations, 10 bridges and 13 pedestrian bridges. It will move **22.5million** people monthly and reduce their travel time from about two hours to 45 minutes.

We are also determined to complete the 27km Blue Line from Okoko to Marina, which upon completion will have the same effect on travel time like the Red Line and move 12 million passengers monthly.

Some of our other strategic transportation projects include the Regional Road, which is an 8.6km three-lane-dual rigid pavement road with two bridges at Victoria Garden City and Ikota, and the Ibeju-Lekki Epe Express Way from Eleko junction, which is an 18.75km three-lane-dual rigid pavement road. Both roads will be tolled for securitization. We also expect these two roads to completely ease traffic in the LekkiEpe corridor, which will result in improved productivity for businesses operating in those corridors.

Honourable Members of the House, let me assure you all that we have continued to deliver on our various other road projects across the state, despite the slowdown occasioned by the pandemic. For example, under our urban regeneration projects in Ikoyi, Victoria Island, Ikeja and Kosofe, we are undertaking 17 critical road projects covering over 24km. Just to mention a few, this includes roads like: Thompson Avenue in Ikoyi, Adeyemo Alakija in Victoria Island, Sobo Arobiodu, in GRA Ikeja and Demuren Street in Kosofe. We are also constructing and rehabilitating other major roads and infrastructural projects across the state which include but are not limited to:

1. Ijede, Agric Isawo and Oba Sekumade roads all within the Ikorodu axis;
2. Isuti road, Igando/Egan/ Ayoba road phase 2 & 3 (i.e. the bridge) in Alimosho axis;
3. Pen Cinema flyover, which is nearing completion at Agege;
4. Iwaya and St. Finbarrs roads – Abule Okuta and Soluyi roads all within the Somolu axis;
5. Arabagun Imeke Mowo road to connect Lagos Badagry express way in the Badagry axis; and
6. Public Works Corporation, (PWC), has also completed a total of 157 road interventions across the State.

## **Agriculture and Food Security**

One of the major takeaways from the coronavirus pandemic is the need to enhance food security by exploring the possibilities in the agricultural sector. We now have the ambitious goal of turning our state to the food basket of the region, while at the same time creating employment opportunities for Lagosians, especially our teeming youths.

The time has come for us to generate increased wealth from our fecund land and coastal heritage. Some of our interventions in the agricultural sector will include:

1. The launch of our strategic agricultural five-year master plan, which lays out the set of initiatives and plans that will propel Lagos State into a national agricultural power house.
2. The establishment of the Lagos State Aquatic Centre of Excellence (LACE) under a PPP framework. This will boost fish production from 20% to 80% and provide employment for over 12,000 fish farmers both directly and indirectly when in full operation.
3. The completion of the Imota Rice Mill, which is being funded through the CBN ~~N~~**8Bn** concessionary loan. Upon completion, the rice mill will create over 250,000 direct and indirect jobs.
4. The completion of the Lagos Food Production Centre Avia, Igborosu Badagry and other state-wide agriculture focused initiatives which together will produce 100,000 jobs both directly and indirectly, and
5. The initiation of a methodical food market policy that supports wholesale food markets. This policy will create pathways for increased investment in the supply chain and make our markets better organized.

We encourage potential and established stakeholders in the agricultural sector to partner with us. Agriculture is a critical component of socioeconomic growth and development: Lagos State is ready and willing to tap and harness the benefits of the sector.

## PROPOSED Y2021 BUDGET

Mr Speaker, we have tagged the 2021 Appropriation Bill the “**BUDGET OF REKINDLED HOPE**” to reflect our determination to rise above the challenges that have affected our development indices in the last 10 months. This Budget of Rekindled Hope demonstrates our willingness to overcome all obstacles and deliver all electoral promises to Lagosians. Let me assure you that we have not deviated from the promises we made when this administration was inaugurated on May 29, 2019. We will fulfill each of those promises; we have a special responsibility to deliver every of our campaign promises: I urge Lagosians to tenaciously keep hope alive as we forge ahead with the plans, programs and projects designed to achieve the **Lagos of our Dreams**.

As we go into the Year 2021, the Budget of Rekindled Hope reflects the continued execution of the THEMES agenda, which is just as relevant as it has always been. This was the agenda the people voted for, and continue to affirm through the consultative fora and civic engagements undertaken throughout the budget process; including that held by this Honourable House on the 29<sup>th</sup> day of October 2020 with their various constituencies. The Coronavirus Pandemic and ENDSARS protests have only heightened the need to urgently implement the various programs under the THEMES agenda.

This 2021 budget will among other things provide for:

1. **Youth employment:** It has become expedient to leverage our developmental efforts by focusing on sectors with job creating potential like Agriculture, Construction, Technology and Security. We are set to improve the economic conditions and social safety needed for our youth and all hardworking Lagosians to flourish. We are committing resources to sectors that need to grow for our people to become self-reliant and economically empowered. Consequently, for the agricultural sector, our food security plan has a cumulative budget of **N22.21billion while we are committing** a cumulative budgetary provision of **N311.43billion** to infrastructure: this will cover direct intervention through the Ministries of Works and Infrastructure, Water front, Transportation, the Judiciary, our Schools and Seed Capital of N15billion for The Rebuild Lagos Trust Fund.

This does not include the value to be created from executing the rail lines (both Red and Blue) recently approved by the Lagos State House of Assembly. To continue to drive our digitisation strategy, we have committed a total of **N37.37billion** investment in technology, while in the environment and health services we have committed a total of **N48.28billion** and **N111.94billion** respectively. In line with our urgent need to light up Lagos we will begin a set of initiatives in the energy sector to ensure the Lagos economy is supported by power one community at a time. To this we have committed a total of **N32.58billion** in the 2021 budget.

The 2021 Appropriation Bill also speaks to the restoration of economic balance as we navigate our way out of the negative impact of both the pandemic and the destruction of public assets following the ENDSARS protest hijack. A pivotal crux of the 2021 budget will be the promotion of an entrepreneurial culture among our people. In light of this, micro, small and medium enterprises will be strengthened because their activities help to facilitate socioeconomic advancement. We have done a lot to support the entrepreneurs in Lagos state through the LSETF and we will do more by providing technical and financial support so that they can in turn generate employment that will stimulate equitable economic prosperity.

We understand that we must consolidate our gains in the technology sector for accelerated economic growth and job creation. In order to achieve this, we will collaborate with major players in that space like Oracle, Microsoft and Google to prepare our youths for the IT job market. As we focus on job and wealth creation, we will also prioritize the security of lives and property as well as local intelligence gathering in our communities by increasing significantly the number of our Neighbourhood Watch Officers over the next two years.

All these will be achieved through our human development MDAs comprising the Ministries of Education, Women Affairs and Poverty Alleviation, Wealth Creation, (including LSETF) and SDGI. Consequently, the cumulative budgetary provision towards Human capital development effort from these MDAs total's **N148.57billion**.

2. **Security:** As we work on reviving the growth of our economy, we must commit resources to our state-wide security architecture especially in the areas of intelligence gathering and the motivation of all security personnel in the Neighbourhood Watch.

We will not just increase the size of the Neighbourhood Watch personnel across the state, we will henceforth ensure their training includes community engagement, de-escalation techniques, and proactive information gathering within communities. We believe that as the population of Lagos State increases and becomes more sophisticated, so should the training of our security personnel; to cope with extant challenges. I must thank the private sector, which has continued to demonstrate great support for the Lagos State Security Trust Fund. However, we still have a long way to go and we need more contributions to the fund to properly execute the war against crime and insecurity. In addition, we will henceforth enforce LASRRA registration as well as our safety and physical planning rules. It has become imperative that we are able to identify every resident of our dear state: the idea of being anonymous in Lagos will no longer be accommodated.

3. **Youth Engagement and Social Works:** the possibilities for economic and social growth abound in our state. However, we must be emphatic about engaging our youth. As a father, politician, and governor, I am saddened by the increasing rise of substance abuse among our youth, particularly the boys. Our developmental vision would be incomplete without a vibrant, capable, and healthy youth population to take the baton of leadership when we leave the scene. Mr Speaker, this Government has, therefore, made it its prerogative to increase its financial commitment to youth mentoring, mental health support, and substance abuse rehabilitation. Very soon, we will unveil our comprehensive action plan to address this issue. The initiative is being driven by the Neighbourhood Watch, The Ministry of Youth and Social Development and the Office of Civic Engagement. Our approach will entail a robust communication strategy that will highlight government's projects and initiatives in a format that is easy to digest by our youths: our intention is cultivate their trust and get them to embrace participatory governance. We must do all we can to deter them from cybercrime and other vices. Consequently, there is a proposed allocation of **N9.16billion** in the 2021 Budget.

Mr Speaker, the sector by sector analysis of the proposed 2021 budget is as follows:

S/N	FUNCTION GROUP	Y2021 BUDGET ALLOCATION (N)
<b>1</b>	<b>General Public Services</b>	<b>136,278,189,622.39</b>
i	Science and Technology	28,272,741,669.00
ii	Other General Public Services	108,005,447,953.39
<b>2</b>	<b>Public Order and Safety</b>	<b>32,757,159,406.85</b>
<b>3</b>	<b>Economic Affairs</b>	<b>381,852,747,856.72</b>
i	Agriculture	18,311,948,584.57
ii	Commerce	41,989,851,318.18
iii	Toursim, Art & culture	6,012,710,830.00
iv	Energy and Mineral Resources	32,585,739,585.09
v	Transportation	98,931,628,325.88
vi	Infrastructure - Works Family	172,238,545,968.00
vii	Waterfront	11,782,323,245.00
<b>4</b>	<b>Environment</b>	<b>50,934,105,592.09</b>
i	Drainage	11,936,556,866.00
ii	Other Environmental Services	38,997,548,726.09
<b>5</b>	<b>Housing and Community Amenities</b>	<b>40,280,489,878.68</b>
<b>6</b>	<b>Health</b>	<b>118,360,479,650.50</b>
<b>7</b>	<b>Recreation, Culture and Religion</b>	<b>5,170,065,144.74</b>
<b>8</b>	<b>Education</b>	<b>143,655,493,855.89</b>
<b>9</b>	<b>Social Protection</b>	<b>9,156,091,555.64</b>
	<b>STATEWIDE</b>	
<b>10</b>	Contingency Reserve (Including Special Expenditure - Statewide and Special Expenditure -Others)	<b>20,554,523,753.69</b>
<b>11</b>	Loans (Repayments, CDSA & Debt Servicing)	<b>166,215,862,798.26</b>
<b>12</b>	Personnel Cost (Statewide - Pension etc)	<b>49,807,203,890.38</b>
	<b>TOTAL</b>	<b>1,155,022,413,005.82</b>

In summary, Mr Speaker, here are the highlights of the 2021 budget proposal:

	<b>FISCAL ITEMS</b>	<b>N'M</b>
<b>A</b>	<b>TOTAL REVENUE</b>	<b>962,528</b>
<b>B</b>	<b>TOTAL INTERNALLY GENERATED REVENUE</b>	<b>795,744</b>
i	INTERNALLY GENERATED REVENUE	732,659
ii	CAPITAL RECEIPTS	63,085
iii	FEDERAL TRANSFER	166,784
<b>C</b>	<b>RECURRENT EXPENDITURE (DEBT AND NON-DEBT)</b>	<b>451,750</b>
i	RECURRENT DEBT	35,287
<b>ii</b>	<b>RECURRENT NON DEBT</b>	<b>416,463</b>
	a) Total personnel cost	174,745
	b) Total overhead	241,718
<b>D</b>	<b>SURPLUS/(DEFICIT) ON CRF</b>	<b>510,778</b>
<b>E</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>703,272</b>
<b>F</b>	<b>CAPITAL EXPENDITURE</b>	<b>572,344</b>
<b>G</b>	<b>REPAYMENT</b>	<b>130,929</b>
<b>H</b>	<b>TOTAL EXPENDITURE (BUDGET SIZE)</b>	<b>1,155,022</b>
<b>I</b>	<b>FINANCING SURPLUS/(DEFICIT)</b>	<b>(192,495)</b>
<b>J</b>	<b>DEFICIT FUNDING SOURCES</b>	<b>192,495</b>
i	EXTERNAL LOANS:	37,255
ii	INTERNAL LOANS	55,240
iii	BOND ISSUANCE	100,000

I assure this Honourable House of my administration's firm commitment to a legacy of hope, financial stability, and fiscal prudence. We will reduce the discriminatory impact of poverty by strengthening all regulatory and institutional frameworks that are crucial to the preservation of our state's rich cultural, financial, and historical heritage. We have resolved to keep exploring Public-Private Partnership strategies in the provision of infrastructure, social services and the conversion of our challenges to opportunities within the context of scarce financial resources.

Let me reiterate our incessant call for Lagos State to be given a special status as the nation's commercial nerve centre. I don't think we are asking for too much going by our huge population and contribution to national prosperity. According Lagos State a special status will improve our efficiency in managing some of the infrastructure that service the national economy. This is the heart of Nigeria's economy; every investment in the infrastructure of Lagos is an investment in rapid economic growth for Nigeria.

I am grateful to the organized private sector for always responding to our call for partnership: they have shown uncommon support for our government, and their commitment to civic engagement is unparalleled. The same goes for all the security agencies- they are always there when we need them.

Thank you.

Let me also thank all workers in our Ministries, Departments and Agencies for identifying with our vision and working hard to achieve our set objectives. We have made considerable progress, but we are not where we want to be yet. There is still so much work to be done and this is not the time to rest on our oars. I urge you to avoid complacency; you must remember that we all have the collective task of implementing public sector reforms for more efficient and qualitative service delivery.

I urge you to imbibe the values of transparency, integrity and accountability as we invest in trainings that put you at par with others in developed countries. You owe Lagos State the responsibility of acquiring the skills and attitudes needed to advance public interests.

I appreciate all the Honourable Members of this House for your support, patience and cooperation. Your words and actions are truly above the common standards of excellence. Thank you for being responsive to the needs of your constituents: I hope we remain united as we work to justify the confidence reposed in us by Lagosians.

I thank the leadership and teeming members of the All Progressives Congress and our Royal Fathers for their unflinching support, unwavering trust, and patience. I am confident that we will accomplish more together as we go into 2021.

I am grateful to the people of Lagos State for the opportunity and privilege to serve. I know this is a position of trust. I assure you that we will intensify the pace of our work in the coming days to improve and add value to your lives.

I urge you all to work with our government as we consolidate the gains of the past and confront the challenges of the future. Our valued reputation, economic independence and treasured heritage are priceless values that we must strive to protect. We understand your needs and we have no business being in government if we cannot advance your interests through people-centred projects and strategies. I promise to be there for you at all times, to actualize your hopes in this government while counting on you to play your role as needed.

When we started last year, we took time to fully comprehend our challenges and your needs in order to articulate efficient strategies. I am glad that in just 17 months, our multi-pronged approach to governance has yielded transformative achievements in the areas of massive road construction, housing projects, jetties, boat and waterways improvement, standard health facilities, human and capacity development as well as efficient service delivery. We will not rest on our laurels as we maximize this privilege and unique opportunity to actualize the immense potential of our State and launch her on the path of irreversible prosperity for the benefit of our people.

Mr. Speaker, as I commend the 2021 Budget Estimates to the House of Assembly, I am confident that you and your colleagues will in your usual style expeditiously do the needful.

On our part, our progressive vision for 2021 remains clear: providing honest, innovative, creative, sacrificial, courageous and audacious leadership needed to actualize the clean, beautiful, secure and prosperous Lagos of our dreams.

Thank you.

God bless you.

Long live Lagos State.

Long live Nigeria

Igbega Ipinle Eko Ajumose ni