

2024 BUDGET SPEECH DELIVERED BY THE ACTING GOVERNOR OF ONDO STATE, HON. ORIMISAN LUCKY AIYEDATIWA TO THE STATE'S HOUSE OF ASSEMBLY ON THURSDAY, 21ST DECEMBER, 2023

The Rt. Honourable Speaker

The Rt. Honourable Deputy Speaker

Honourable Members

Members of the State Executive Council

Top Government Functionaries

Members of the Press

Ladies and Gentlemen

It is with a deep sense of gratitude to God for His infinite grace and mercy that I stand before this Honourable House today, on behalf of our amiable and development-oriented Governor, Arakunrin Odunayo Oluwarotimi Akeredolu, SAN, CON to present the 2024 Budget. The budget presentation today will be this Administration's penultimate appearance before this Honourable House on budget matters, God willing, as it will exit by February 2025.

2. Mr. Speaker, Honourable Members, I rejoice with you and congratulate all Honourable Members on the victory you had in the last keenly-contested State Assembly Election held in March this year. The sweeping success recorded can only be attributed to God and the faith and trust the people of your constituencies have in you all.

3. Mr. Speaker, Honourable Members, I want to specially thank you for your support for this Administration and also for your unrelenting prayers for our Governor, especially during this challenging moment. In the same vein, I must thank the good people of Ondo State for their outpouring of affection and supplications for Mr. Governor. It is our fervent prayer that the able God who has started a good work of healing in our Governor's life will bring it to perfection!

4. Mr. Speaker, let me furthermore use this opportunity to appreciate our people for their understanding, endurance and sacrifice in this period of economic challenges occasioned by the painful but inevitable removal of fuel subsidy by the Federal Government. Our efforts at providing measures in the form of food items, cash transfers, salary adjustment, payment of pension and arrears of gratuity,

provision of farm inputs, etc to our people to cushion the effects, will continue.

OUR SUCCESS STORY

5. Mr. Speaker, it has been our determination from inception of this administration in 2017 to take this State to an enviable height through infrastructural and human capital development. In our resolve at the very beginning to lay a solid foundation to achieve these laudable goals, we came up with a 5-point agenda otherwise called the **JMPPR** with which we were able to record a considerable development mileage. Building on that foundation, we later developed a more robust policy blueprint in the second leg of this Administration christened the **REDEEMED** Agenda at the beginning of the second term, to serve as our development compass.

6. Mr. Speaker, Honourable Members ladies and gentlemen, despite the challenges at the global, national and subnational levels, especially in the areas of insecurity and macro-economic imbalances, we have been able to deliver substantially on the **REDEEMED** Agenda. The details of our achievements so far across the **8** thematic areas of the

REDEEMED Agenda are in paragraphs 7 to 14 of the comprehensive Speech accompanying the Budget.

7.0. **PERFORMANCE OF THE 2023 BUDGET**

7.1. Mr. Speaker, you will recall that in December 2022, the 2023 Budget tagged 'Budget of Shared Prosperity' was passed and signed into law. The Budget which had a total size of ₦275,979,184,000.00 was divided into Recurrent Expenditure of ₦129,839,411,000.00 representing 47.05% and Capital Expenditure of ₦146,139,773,000.00 representing 52.95%. The Budget was to be funded with ₦117.247 billion from the Federation Accounts and ₦32.010 billion. expected to be generated internally. The Capital Receipts which represent funds from Loans and Grants expected to be received from within and outside the State were put at ₦10.721 billion.

7.2. Mr. Speaker, on 29th May this year, Mr. President, during his inauguration pronounced a total removal of fuel subsidy. This has occasioned a major shift in the economic landscape by triggering high transport cost, galloping food prices, among others. Besides the aforementioned upheavals, the fuel subsidy removal has also caused a dramatic change in the parameters earlier used for 2023 Budget. This

was the reason the budget was reviewed upward to ₦313,144,925,983.00, as consequently passed into law by this Honourable House.

7.3. Mr. Speaker, Honourable Members, the cumulative target revenue for January to September 2023 was ₦206.984 billion but the total actual revenue generated during the period was ₦158.515 billion which represents 76.6% performance level. On the expenditure side, Personnel Cost gulped ₦45.106 billion, amounting to 76%. This high percentage was occasioned by the priority attention given to regular payment of workers' salaries and allowances, as a way to cushion the challenges of fuel subsidy removal. Also, at the end of the same period, i.e September 2023, the sum of ₦21.675 billion was spent as Overheads to run government's activities; ₦7.651 billion given as grants to our tertiary institutions while ₦12.304 billion was paid to pensioners as gratuities and monthly pensions. Within the same period, the sums of ₦9.874 billion and ₦8.197 billion were committed to servicing our debts and as statutory transfers, respectively. The Capital expenditure was ₦38.544 billion as against ₦109.605 billion earmarked for the same period.

8.0. **OVERVIEW OF 2024 BUDGET**

8.1. Mr Speaker and Honourable Members, the 2024 Budget Proposal is prepared on the projection of the 2024-2026 Medium-Term Expenditure Framework (MTEF) as required by the Ondo State Fiscal Responsibility Law of 2017. The time is gone when the Executive would sit in an office and come up with a budget document without inputs from those the budget is meant to serve. In continuation and consolidation of our citizens' engagement drive, we initiated in 2018, stakeholders' consultative meetings with the civil society groups, private sector, youths, women and vulnerable groups, our traditional rulers across the 18 Local Government Areas were held and their inputs harvested into the 2024 Budget being presented today.

9.0. **OBJECTIVES AND POLICY THRUST OF 2024 BUDGET**

9.1. Mr. Speaker, Honourable Membes, the objectives of 2024 Budget are as follows, to:

- i. invest in human capital development with renewed vigour;
- ii. rejig Independent Revenue collection for attainment of financial resilience and sustainability;

- iii. optimise resource inflow and expand fiscal space locally and globally;
- iv. expand the scope and reach of social safety nets and economic support programmes to the deserving citizens of the State;
- v. develop agricultural value chain and promote expansion of agricultural productivity to enhance food security;
- vi. stimulate rural economy;
- vii. ensure effective transportation system for economic growth and development;
- viii. address environmental degradation occasioned by climate change;
- ix. adhere to development policy and ensure fiscal discipline; and
- x. safeguard lives and livelihood in a secure environment.

9.2. The above objectives are to be achieved through the following strategies: by

- i. ensuring full automation of all forms of revenue collection and expansion of the tax net with data-driven tax administration;
- ii. leveraging on Donor and Development Partners' Support in funding key intervention programmes;
- iii. creating employment and jobs in Agric-Business and tech-related Enterprises;

- iv. ensuring increase in and proper administration of funds allocated to social safety nets programmes;
- v. providing subsidized inputs and grants/soft loans to farmers;
- vi. consolidating on the current road and waterway infrastructural development across the State;
- vii. prioritizing massive construction of rural amenities and community-based infrastructure;
- viii. consolidating the on-going river path channelization and encouraging reforestation and tree planting system across the State;
- ix. setting up achievable key performance indicators for all sectors of the State and making available resources and enabling environment needed to achieve them;
- x. ensuring efficient Public Financial Management through timely and effective prioritization, to achieve development goals;
- xi. increasing essential support to security agencies for crime prevention and control; and
- xii. reducing the State's recurrent expenditure/cost of governance in order to mop up funds for Capital projects.

10.0. **2024 REVENUE PROJECTION**

10.1. Mr. Speaker, a lot of efforts are being put into shoring up the State's revenue. This notwithstanding, as at today, the bulk of our revenue still comes from the Federation Accounts. However, if the current drive by all our revenue generating agencies, spearheaded by

the Ondo State Internal Revenue Service, is sustained, we would be able to attain our desired level of internal revenue generation.

10.2. Mr Speaker, Honourable Members, ladies and gentlemen, the projected revenue for Year 2024 is largely a function of some major macro-economic fundamentals contained in the 2024-2026 Medium-Term Expenditure Framework (MTEF) and the Fiscal Strategy Paper (FSP), earlier passed by this Honourable House. The assumptions/fundamentals are: -

S/N	ITEM	2023	2024	2025	2026
i	National Inflation	17.16%	21.40%	20.30%	18.60%
ii	National GDP growth rate	3.75%	3.76%	4.22%	4.78%
iii	Oil Price Benchmark	\$75.00	\$74.00	\$73.80	\$69.9
iv	Oil Production Benchmark	1.7200	1.7300	1.6700	1.5800
v	NGN:USD Exchange Rate (Benchmark)	435.57	700	700	700

10.3. In view of the above fundamentals, coupled with the removal of fuel subsidy which is expected to translate into more revenue from FAAC to our State, a total budget of **Three hundred and eighty-four billion, five hundred and thirty-three million naira (₦384.533b) only** is being proposed for the 2024 Fiscal Year. The breakdown of the revenue is as follows:

(i)	Statutory Allocation	-	₦45,367,453,580
(ii)	Independent Revenue	-	₦33,039,332,950
(iii)	Value Added Tax	-	₦30,301,829,040
(iv)	Mineral Derivations	-	₦30,524,211,875
(v)	Other FAAC/Excess Crude Revenue	-	₦100,439,986,003
(vi)	Grants	-	₦43,700,000,000
(vii)	Other Capital Receipts	-	₦25,100,000,000
(viii)	Financing	-	₦76,060,186,552
	Total	=	₦384,533,000,000

11.0. **2024 EXPENDITURE PROJECTION**

11.1. Mr. Speaker, Honourable Members, ladies and gentlemen, the current national and global economic realities point to reason why we must consciously and programmatically re-arrange our fiscal priorities to target the growth drivers of our economy so as to quickly fix and reflate the economy, to keep it afloat. We are aware of the negative impacts of fuel subsidy removal and floating exchange rate on the people. All these are put into consideration while projecting for expenditure in this Budget. We have made a reasonable increase in the Personnel Estimates to cover the imminent wage increase for workers. We will also continue to roll out palliative measures to cushion the effects of the fuel subsidy removal.

11.2. The impact of climate change is another issue we have resolved to tackle headlong in the coming year. As we all noticed, the duration and intensity of rainfall relatively increased this year and produced huge run-offs and flooding in many of Local Government Areas. All of these and more have been addressed in our expenditure projection for year 2024 as shown below:

A. Recurrent Expenditure

i. Salaries and Wages	- ₦59,211,247,665.00
ii. Overheads	- ₦42,172,446,600.00
iii. Debt Servicing	- ₦16,316,930,000.00
iv. Grants and Contributions	- ₦14,547,476,300.00
v. Social Contribution and Social Benefits	- ₦19,064,602,824.00
vi. Statutory Transfers	- ₦21,205,436,964.00

B. Capital Expenditure

Capital Estimates -₦211,014,859,647.00

Total =₦384,533,000,000.00

11.3. Mr. Speaker, in line with the National Charts of Accounts (NCOA) which Ondo State has subscribed to at the level of the Nigerian Governors' Forum (NGF), and which is also in consonance with international best practices, government functions have been classified

into 12 sectors for better understanding. Accordingly, the sectoral breakdown of the proposed Capital Budget is as follows:

SECTOR	2024 ALLOCATION	%2024
Administration of Justice	16,389,110,486.12	4.3%
Agricultural Development	31,816,008,874.01	8.3%
Education	47,729,164,261.85	12.4%
Environment and Sewage Management	8,551,879,882.87	2.2%
General Administration	32,574,349,199.07	8.5%
Health	29,809,134,375.97	7.8%
Information	2,228,802,993.29	0.6%
Infrastructural Development	95,482,176,340.36	24.8%
Legislative Administration	6,472,161,659.19	1.7%
Public Finance	82,413,990,850.80	21.4%
Regional Development	12,646,995,272.10	3.3%
Community Development	14,465,344,834.76	3.8%
Trade and Industry	3,953,880,969.61	1.0%
Total	384,533,000,000.00	100.00%

11.4. The Table above shows that Infrastructural Development sector has the highest budget proposal. This is so because it is the sector that will stimulate the economy in the next fiscal year.

12.0. **CONCLUSION**

12.1. Mr. Speaker, Honourable Members, ladies and gentlemen, in concluding this Budget Speech, I will like to once again, on behalf of Mr. Governor, Arakunrin Oluwarotimi Akeredolu, SAN, CON, thank you all for your unwavering prayer, support and cooperation for this

Administration. I must say that this Honourable House has provided the right collaborative atmosphere to continue to initiate and implement bold reforms that have engendered inclusive growth and foster development in the State. Mr. Speaker and Honourable Members, I thank you very much!

12.2. Our appreciation also goes to all our traditional and religious leaders, trade associations and unions, youth and women groups for their continuous understanding and patriotism. Your unalloyed support for our programmes and policies have gone a long way in ensuring the successes we have recorded in the last six and a half years.

12.3. On a final note Mr. Speaker, we must also use this opportunity to thank the Police, the Department of State Security, the Army, Navy, Nigeria Security and Civil Defence Corps, Ondo State Security Network otherwise called Amotekun and other paramilitary agencies for maintenance of peace in the State.

12.4. Finally, before I lay the Year 2024 Appropriation Bill before this Honourable House on behalf of Mr. Governor, I would like to yet seek the continuous partnership of everyone in making our State run

smoothly in line with the mindset of Mr. Governor. The challenges that lie ahead in the incoming year dictate that we should all work together, as we seek to create an enduring economy for our dear State, knowing full well that whatsoever we do today will be referenced tomorrow.

12.5. Mr. Speaker, let me reiterate on behalf of Mr. Governor that we are very determined and shall remain undaunted and focused in our effort to deliver the dividends of democracy to our people and to make Ondo State a reference point for developmental strides in Nigeria.

12.6. Mr. Speaker and Honourable Members, ladies and gentlemen, it is now my pleasure and honour to, on behalf of Mr. Governor, Arakunrin Oluwarotimi Akeredolu, SAN, CON, present to this Honourable House, the Ondo State 2024 Appropriation Bill of **₦384.533 billion** christened **BUDGET OF ECONOMIC RESILIENCE**, for consideration and approval.

God bless Ondo State!

God bless Nigeria!