

BEING THE SPEECH BY THE EXECUTIVE GOVERNOR OF ONDO STATE, HIS EXCELLENCY DR. LUCKY ORIMISAN AIYEDATIWA ON THE PRESENTATION OF THE 2026 BUDGET TO THE STATE HOUSE OF ASSEMBLY ON MONDAY, 17TH NOVEMBER, 2025

PROTOCOL

Today, we are here before this honourable House by the grace of God and the uncommon goodwill of the people of our Sunshine State, to present the 2026 Budget proposals for Ondo State tagged "Budget of Economic Consolidation". This is my second interaction with this noble Assembly on budget presentation since taking office as the Governor of Ondo State.

2. Mr. Speaker, I wish to use this occasion to express my heartfelt appreciation to the people of our dear State for placing their trust in us, for the overwhelming support and the unwavering confidence they have demonstrated in our administration. We are deeply grateful for this mandate. Therefore, I have dedicated my life to prioritising the wellness and well-being of all residents of the State by reorganising the structure of government to foster more effective and efficient service delivery through the "OUR EASE" Policy Thrust.

3. I would also like to use this opportunity to express my sincere appreciation to you, Mr. Speaker and to all the distinguished members of this honourable chamber for the consistent support you have extended to

our administration. The collaborative and cordial relationship between the executive and legislative branches of government has been instrumental in driving the development of our State. Together, we have demonstrated resilience and commitment to fostering hope and progress for our citizens, even in the face of challenging economic conditions.

2025 Budget Performance:

4. Mr Speaker, Honourable Members, the 2025 fiscal year began with a total sum of ₦698.659 billion. However, the 2025 Mid-Year Appraisal and Third Quarter Budget Performance Reports revealed poor implementation of donor-supported projects. For example, of the over ₦56 billion allocated to water projects, only 0.11% had been implemented mid-year, as anticipated donor inflows failed to materialise. Current data suggests that only about half of the expected funds will come in this year, posing a serious risk to water sector performance and the jobs and economic benefits the initial allocation was expected to generate. This pattern is similar across other sectors. Consequently, a budget review became necessary to reduce unrealistic donor-funded projections, minimise reliance on such inflows and reallocate available State resources more equitably. The 2025 budget has, therefore, been revised downward from ₦698.659 billion to ₦489.998 billion, thereby ensuring fair allocation to all sectors.

Our Progress Charts:

5. Despite the foregoing Mr Speaker, I make bold to say we have, through very prudent management of our lean resources, achieved remarkable progress in the last one year. I will endeavour to mention just a few.

Education

6. Mr. Speaker, Honourable Members, we have strengthened access to quality education through targeted investments in staff, infrastructure, and student support. A total of 2,100 teachers were employed for primary and secondary schools across the State, to enhance learning outcomes. Government eased financial pressure on families by paying ₦633.9 million for WAEC fees for 23,048 students and fully funding NABTEB registration for all eligible public-school candidates. Scholarship and bursary support of ₦350 million was provided to 11,358 tertiary students. Under the OSOPADEC Scheme, ₦286.7 million was released to support 4,837 students from Ilaje and Ese-Odo LGAs. Towards revitalising our public service for effective and efficient service delivery, we have also recruited personnel into critical sectors of the public service. These include about 500 medical personnel (doctors, nurses etc) for our hospitals and basic healthcare centres; 60 Administrative Officers for our Ministries, Departments and Agencies (MDAs); 120 Forest Officers and Forest

Superintendents for our Forest Reserves; 20 Legal Officers and 13 Fire Truck Drivers.

7. In 2025, significant infrastructural improvements were executed across the sector. A total of 134 primary schools were built or renovated alongside provision of furniture and learning materials at a cost of ₦6.738 billion. Another 60 secondary schools were rehabilitated with ₦3.108 billion. Technical colleges in Owo, Ile-Oluji/Oke-Igbo, Akoko South-West, Okitipupa and Idanre also received major upgrades. Additionally, the long-inactive TESCOM Board was reconstituted to restore effective oversight and strengthen teachers' management.

8. The Olusegun Agagu University of Science and Technology (OAUSTECH) expanded its academic structure from three faculties to seven schools, boosting staffing, teaching capacity and Internally Generated Revenue (IGR). The institution also made notable progress in supporting the State's Blue Economy Vision. Through a strategic partnership with the Caribbean Maritime University of Jamaica, OAUSTECH is establishing a School of Maritime Studies and Logistics. This new school will be located in Igbokoda to enhance maritime education and industry growth.

Healthcare and Health Insurance

9. Mr. Speaker, the Orange Health Insurance Scheme (ORANGHIS) has been expanded beyond the formal sector to include informal workers, giving more residents access to quality healthcare. The Abiyamo Maternity and Child Health Scheme continues to support over 40,000 pregnant women and children under five. To strengthen drug safety, the Taskforce on Fake and Counterfeit Drugs deployed Truscan devices for quick authentication of medicines. Our Drugs Store has been upgraded to Pharma-grade Warehouse standard. We have also improved healthcare infrastructure with multiple facilities renovated and 102 primary healthcare centres upgraded under the World Bank-supported IMPACT Project at a cost of over ₦7.2 billion, significantly boosting access to safe and affordable health services.

Infrastructural Development

10. Mr. Speaker, major progress has been achieved in road construction and urban infrastructure across the State. Key dualisation projects - including the Oke – Aro – Idanre Road, the Akungba – Ikare Road, and the 27.5km Okitipupa – Igbokoda Road have recorded substantial advancement, while the Onyearugbulem – Shagari – Irese Flyover is nearing completion. About 60km of roads are currently under construction or rehabilitation statewide and over 386km of rural roads have been improved under the RAAMP programme in communities such as Idanre,

Ile-Oluji/Oke-Igbo and Ilaje. Major projects like the Ode – Ajagba – Akotogbo – Ijuosun Road, Ipare – Ipare Oke Road, Aboto – Igbo-Okuta Road and the Anglican Church – Zion – Igbekebo Road are also progressing, with total ongoing works in Okitipupa, Ilaje, Irele and Ese-Odo valued at ₦96.805 billion.

11. Beyond road development, major public infrastructure projects have moved into top gear. The Akure Township Stadium was rehabilitated, the Ultra-modern Judiciary Complex along Oba Osupa Road is under construction, and the Oba's Council Secretariat in Alagbaka was completed and commissioned. Progress continued on the Ilaje Industrial Hub, with PPP agreements finalised and coastal land secured for a refinery and related facilities within the Sunshine Free Trade Zone. With the project now in its pre-implementation stage, work in 2026 will focus on regulatory approvals, financing and site preparation to unlock significant employment and revenue opportunities.

Water and Rural Infrastructure Development

12. Mr. Speaker, significant achievements were recorded in expanding access to safe and reliable water. Water schemes in Oke-Igbo, Oba Akoko, Idoani, Okitipupa, Ilutitun and Araromi-Obu were rehabilitated, while schemes in Iworin Oka and Obenla Industrial Borehole were restored. The rehabilitation of the Owena Multipurpose Dam and the Owena–Ondo Water Supply Scheme is ongoing and will ultimately serve 6 LGAs of the

Central Senatorial District. Complementing these, are RAAMP projects that delivered 386 km of upgraded rural roads, numerous culverts and drainage structures across all 18 LGAs - enhancing mobility, supporting agriculture and improving resilience to seasonal flooding.

Agriculture and Rural Market Development

13. Mr. Speaker, to boost agricultural output, the State secured 26,000 hectares of land and allocated funds for agricultural development. Rural markets in Idanre, Ile-Oluji/Oke-Igbo and Ilaje were upgraded under RAAMP, while construction of a modern Farmers' Market along Ondo Road in Akure is underway to promote local production and reduce food imports. Through the L-PRES Project, livestock productivity is being strengthened, while over two million cocoa seedlings were distributed to farmers to enhance export capacity and increase farmers' incomes.

Electrification and Power Sector Development

14. Mr. Speaker, we improved energy access by initiating procurement for O'Datiwa Prepaid Meters at subsidized rate and revived the long-abandoned Omotosho 2×15MW Power Plant, which is now fully operational. Off-grid power supply was expanded with solar mini-grids in 30 communities, 14 already functioning and supplying 394KW, while transmission capacity increased through the completion of the Ode-Erinje and Oba-Ile stations. The State Electricity Bureau issued key licences, including 25MW generation approval to WEENERGY, 50MW to Advanced

Power Abuja Ltd. and an off-grid distribution licence to Fluxgen Nigeria Ltd in Akure. The Bureau is also licensing additional mini-grid developers to extend reliable power to underserved communities and enhance industrial growth.

Environmental Management and Disaster Preparedness

15. Mr. Speaker, to mitigate flooding and erosion, dredging of waterways and canals commenced in high-risk communities. We have been receiving accolades across the land for not recording any major disaster this year as a result of flooding. This is the power of being proactive and deliberate. Relief materials were distributed to victims of rainstorm incidents and the SEMA warehouse was fully stocked for 2025 to enhance emergency readiness. Urban sanitation efforts were sustained through consistent waste evacuation and maintenance of environmental workers across Akure, Owo, Ikare, Igbokoda, Ore and Ondo, reinforcing our commitment to clean and resilient cities.

OD-CARES Programme Achievements

16. Mr. Speaker, through the OD-CARES Programme, 10,550 households receive bimonthly cash transfers of ₦20,000, providing vital financial support. Additionally, 19,985 residents participate in labour-intensive public works, earning ₦10,000 monthly, while 1,863 small businesses have received grants ranging from ₦300,000 to ₦600,000.

This programme remains a key driver of economic recovery and social protection across all 18 LGAs.

Social Welfare

17. Mr. Speaker, to address the backlog of unpaid gratuities, our administration released ₦2.396 billion to retirees from 2016 and 2017, in addition to the earlier ₦1.4 billion paid to local government and primary school retirees. We adopted a year-of-exit payment model to ensure fairness and now maintain a monthly gratuity provision of ₦180 million. The School Shuttle Scheme, suspended since 2020, was restored in 2025 to support student transportation across the State. A total of ₦701 million was allocated for both the School Shuttle and Boat Shuttle services in Akure, Ilaje and Ese-Odo. Despite rising diesel and maintenance costs, government remains committed to sustaining these vital services.

ICT, E-Governance and Technology

18. Mr. Speaker, in furtherance of our efforts to enhance Information, Communication and Technology/E-Governance and Technology in Ondo State, over 500 youths were trained in ICT Skills to enhance digital literacy and equip them with tech skills for remote job opportunities. The State Government through the auspices of SITA has deployed internet connectivity in MDAs to improve effectiveness and efficiency in the discharge of their activities. In addition, we have established a Tech Hub at the Olusegun Agagu University of Science and Technology, Okitipupa

to foster creativity and innovation among the student population. The Tech Hub will be ready for commissioning before the end of the year. Just few weeks ago, a two-day Artificial Intelligence (AI) Adoption Summit was organised in the State to shape a roadmap for the responsible adoption of AI in the State in order to position Ondo State as a hub of smart governance and digital excellence.

Overview of the 2026 Budget:

19. Mr. Speaker, Honourable Members, the 2025 Budget was christened the Budget of Recovery to focus on stabilising critical sectors, restoring essential services and reviving public confidence after a period of fiscal strain. Having laid this solid foundation and achieved measurable gains, particularly in infrastructure rehabilitation, service delivery and public financial management, the State is now positioned to deepen these achievements by strengthening revenue structures, accelerating growth-driven investments and institutionalising reforms. The title of **2026 Budget of Economic Consolidation** is aptly justified as the natural progression from previous years' activities and, therefore, reflects a deliberate shift from mere restoration to sustained consolidation of economic gains, ensuring that the progress recorded in 2025 matures into long-term prosperity, resilience and inclusive development for the people of Ondo State.

20. Mr. Speaker, Honourable Members, the global economic slowdown poses risks to the State's revenue, which relies heavily on Federation Account allocations, Personal Income Tax, VAT and other shared revenues. The new VAT distribution formula - 50% shared equally, 20% by population and 30% by consumption - may reduce our revenue, given Ondo State's civil service-driven and agrarian structure. Revenue could also be further constrained by exemptions granted to small businesses and low-income earners from Companies Income Tax and Personal Income Tax, which, though beneficial, may strain Internally Generated Revenue.

21. Mr. Speaker, as we begin preparing the 2026 budget, we have continued our tradition of participatory budgeting. This approach has broadened the input of communities, civil society groups, the private sector, youth bodies, artisans, farmers and other key stakeholders in shaping the 2026 Budget.

Objectives and Policy Thrusts of 2026 Budget:

22. The government's policy thrusts and priorities for the 2026 fiscal year are designed to focus on deepening reforms and accelerating development through the following strategic approaches:

| Policy Thrusts | Strategies |
|---|--|
| 1. Sustained Food Security and Agricultural Transformation | <ul style="list-style-type: none"> i. Strengthen agricultural value chains, mechanisation, and agro-processing. ii. Support smallholder farmers with inputs, finance, and climate-smart practices. |
| 2. Human Capital Development and Skills Enhancement | <ul style="list-style-type: none"> i. Invest in quality education, healthcare and vocational training. ii. Expand youth empowerment and digital skills development initiatives. |
| 3. Infrastructure Expansion and Modernization | <ul style="list-style-type: none"> i. Prioritise transport, energy, water, housing and ICT infrastructure ii. Promote urban renewal and public-private partnerships in infrastructure delivery. |
| 4. Sustained drive on Internally Generated Revenue (IGR) Mobilisation | <ul style="list-style-type: none"> i. Prioritising technology-driven, transparent and efficient tax systems. ii. Broaden the revenue base while blocking leakages and ensuring compliance. |

| | |
|---|--|
| 5. Resilient and Inclusive Community Development | <ul style="list-style-type: none"> i. Strengthen grassroots governance and community-led development. ii. Improve access to basic services and build resilience against climate risks. iii. Enhance security of lives and property through community policing and collaborative safety initiatives. |
| 6. Social Inclusion and Social Protection | <ul style="list-style-type: none"> i. Expand social safety nets for vulnerable and marginalised groups. ii. Enhance access to affordable healthcare, housing, and education. |
| 7. Economic Diversification and Industrial Growth | <ul style="list-style-type: none"> i. Promote non-oil sectors, MSMEs, and public-private investments. ii. Foster innovation, research, and development to drive new industries. |
| 8. Prudent Fiscal Management | <ul style="list-style-type: none"> i. Curtail all fiscal wastes ii. Minimise debt acquisition iii. Strict budget implementation |

23. Distinguished ladies and gentlemen, the 2026 revenue projection would largely be informed by some major macro-economic assumptions contained in the MTEF and Fiscal Strategy paper adopted by the

secretariat of the Nigerian Governors' Forum (NGF). These assumptions are:

Macro-Economic Framework

| Item | 2026 | 2027 | 2028 |
|---------------------------------|-------------|-------------|-------------|
| National Inflation | 23.00% | 17.00% | 15.00% |
| National Real GDP Growth | 3.20% | 3.30% | 3.30% |
| Oil Production Benchmark (MBPD) | 1.7000 | 1.7500 | 1.8000 |
| Oil Price Benchmark | \$55.00 | \$55.00 | \$55.00 |
| NGN:USD Exchange Rate | 1500 | 1500 | 1500 |
| Mineral Ratio | 20% | 22% | 24% |

24. Putting these key parameters and assumptions into consideration, a total budget of N492,795,667,939.00 billion has been proposed for 2026

Fiscal Year as follows:

| PROJECTED REVENUE/INFLOW FOR 2026 | |
|--|-----------------------------|
| Revenue /Inflow | 2026 Projections (N) |
| A Roll-Over Fund | 159,148,822,210.00 |
| B FAAC RECEIPTS | |
| i Statutory Allocation | 59,477,548,821.00 |
| ii Mineral Derivation | 37,097,264,000.00 |
| iii Value Added Tax (VAT) | 87,255,713,682.00 |
| iv Electronic Money Transfer Levy (EMTL) | 4,789,685,012.00 |
| v Exchange Gain | 11,501,095,876.00 |
| vi NLNG Dividend | 34,453,924,695.00 |
| vii Non-Oil & Solid Minerals | - |
| viii Ecological Fund | 953,419,143.00 |
| ix Excess Crude | - |
| x State Infrastructure & Security | - |
| xi Other FAAC Revenue | 3,000,000,000.00 |
| Sub-Total FAAC Revenue | 238,528,651,229.00 |
| C Independent Revenue (IR)/IGR | 34,800,000,000.00 |
| D Grants & Aid | 5,854,643,000.00 |
| E OTHER RECEIPTS | |
| i Contributory Health Scheme - Formal & Informal Sectors Contributions | 1,800,000,000.00 |
| F Loans from Development Partners | 52,663,551,500.00 |
| Grand Total (A+B+C+D+E+F) | 492,795,667,939.00 |

2026 Expenditure Projection:

25. On the expenditure side, Mr Speaker, we have taken note of the fact that development rarely occur in silos. We have, therefore, adopted an integrated approach such that each organ of government would complement others to stimulate the organic synergy required to catalyse our developmental resurgence.

The 2026 Expenditure Allocation is as follows:

| ONDO STATE OF NIGERIA, ESTIMATES 2026 | | | | |
|--|--|---------------------------|----------------------------|----------------|
| SUMMARY of ALLOCATION TO MEDAs | | | | |
| S/N | Head | Revised Budget (N) | Proposed Budget (N) | % |
| | | 2025 | 2026 | |
| 1 | Salaries and Wages | 76,005,000,000.00 | 75,399,772,100.00 | 15.30% |
| 2 | Overhead Cost | 50,246,758,000.00 | 49,001,692,500.00 | 9.94% |
| 3 | Grants and Contributions | 20,306,500,000.00 | 18,281,300,000.00 | 3.71% |
| 4 | Transfers | 38,115,000,000.00 | 23,325,605,600.00 | 4.73% |
| 5 | Debt Repayment | 23,026,631,000.00 | 19,954,856,000.00 | 4.05% |
| 6 | Social Contributions and Social Benefits | 33,033,470,363.45 | 24,841,120,000.00 | 5.04% |
| Total Recurrent Expenditure: | | 240,733,359,363.45 | 210,804,346,200.00 | 42.78% |
| 7 | Total Capital Expenditure | 249,265,000,810.00 | 281,991,321,739.00 | 57.22% |
| TOTAL Budget Size: | | 489,998,360,173.45 | 492,795,667,939.00 | 100.00% |

26. Mr. Speaker, the above allocation; which projects a recurrent to capital ratio of 42.78% to 57.22% is an eloquent testimony of our avowed commitment to transforming the socio-economic landscape of the State. For the avoidance of doubt Mr Speaker, the International Public Sector Accounting Standard (IPSAS) allocation and Sectoral distribution of the budget is as presented below:

| ONDO STATE OF NIGERIA | | | | | | |
|---|------------------------|---------------------------|---------------------------|--------------------------|---------------------------|------------|
| SUMMARY OF RECURRENT AND CAPITAL ESTIMTES | | | | | | |
| IPSAS ALLOCATION SUMMARY FOR 2026 BUDGET | | | | | | |
| S/N | Name | Recurrent Expenditure | Capital Expenditure | Others | Total | % |
| 1 | Administration Sector | 27,183,801,000.00 | 15,090,000,000.00 | 0 | 42,273,801,000.00 | 8.6 |
| 2 | Economic Sector | 54,952,639,600.00 | 182,479,835,739.00 | 25,517,856,000.00 | 262,950,331,339.00 | 53.4 |
| 3 | Law and Justice Sector | 8,125,140,000.00 | 8,759,600,000.00 | 0 | 16,884,740,000.00 | 3.4 |
| 4 | Regional Sector | 316,000,000.00 | 150,000,000.00 | 14,838,905,600.00 | 15,304,905,600.00 | 3.1 |
| 5 | Social Sector | 76,946,304,000.00 | 75,511,886,000.00 | 2,923,700,000.00 | 155,381,890,000.00 | 31.5 |
| Total: | | 167,523,884,600.00 | 281,991,321,739.00 | 43,280,461,600.00 | 492,795,667,939.00 | 100 |

| ONDO STATE OF NIGERIA | | | | | | |
|---|-----------------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------|
| SUMMARY OF RECURRENT AND CAPITAL ESTIMTES | | | | | | |
| SECTORAL ALLOCATION OF 2026 BUDGET | | | | | | |
| S/N | Name | Recurrent Expenditure | Capital Expenditure | Others | Total | % |
| 1 | Agricultural Development | 2,402,092,500.00 | 25,177,750,000.00 | 0 | 27,579,842,500.00 | 5.60 |
| 2 | Trade and Industry | 1,817,243,000.00 | 3,065,000,000.00 | 0 | 4,882,243,000.00 | 1.00 |
| 3 | Education | 44,084,855,000.00 | 19,793,186,000.00 | 0 | 63,878,041,000.00 | 13.00 |
| 4 | Health | 28,056,660,000.00 | 41,585,100,000.00 | 0 | 69,641,760,000.00 | 14.10 |
| 5 | Information | 1,932,300,000.00 | 3,120,000,000.00 | 0 | 5,052,300,000.00 | 1.00 |
| 6 | Community Development | 3,288,321,000.00 | 10,496,500,000.00 | 0 | 13,784,821,000.00 | 2.80 |
| 7 | Infrastructural Development | 4,089,979,000.00 | 127,901,452,000.00 | 0 | 131,991,431,000.00 | 26.80 |
| 8 | Environment and Sewage Management | 1,360,868,000.00 | 3,497,100,000.00 | 0 | 4,857,968,000.00 | 1.00 |
| 9 | Regional Development | 316,000,000.00 | 150,000,000.00 | 14,838,905,600.00 | 15,304,905,600.00 | 3.10 |
| 10 | Administration of Justice | 8,375,140,000.00 | 9,059,600,000.00 | 0 | 17,434,740,000.00 | 3.50 |
| 11 | Public Finance | 46,236,325,100.00 | 17,853,633,739.00 | 25,517,856,000.00 | 89,607,814,839.00 | 18.20 |
| 12 | General Administration | 20,098,001,000.00 | 9,465,000,000.00 | 2,923,700,000.00 | 32,486,701,000.00 | 6.60 |
| 13 | Legislative Administration | 4,176,200,000.00 | 2,000,000,000.00 | 0 | 6,176,200,000.00 | 1.30 |
| 14 | Energy | 1,289,900,000.00 | 8,827,000,000.00 | 0 | 10,116,900,000.00 | 2.10 |
| Total: | | 167,523,884,600.00 | 281,991,321,739.00 | 43,280,461,600.00 | 492,795,667,939.00 | 100.00 |

27. From the allocation above Mr Speaker, our intention on infrastructure revolution is clear. We look forward to completing the plethora of ongoing projects across the State as adequate fund has been allocated to them. Rest assured that no project in Ondo State will be left abandoned.

Conclusion:

28. Mr. Speaker, before I conclude, I wish to express my sincere appreciation to you and the Honourable Members of this House. Your exemplary leadership has fostered harmony, mutual respect and strong collaboration between the Legislature and the Executive. Your commitment to accountable and people-centred governance has strengthened public trust and deepened the bond between government and citizens. Thank you for your unwavering dedication to the progress and development of our State.

29. Mr. Speaker, I sincerely commend all security agencies in our State - the Police, DSS, Army, Navy, Civil Defence Corps, Amotekun Corps and other paramilitary bodies - for their tireless service in protecting lives, property and preserving peace. Your dedication is deeply appreciated. We also thank our traditional and religious leaders for their steady support, wise counsel, and prayers, which continue to strengthen our communities.

30. In addition, I express gratitude to our youths, trade unions, professional bodies, development partners, NGOs, civil society groups, the press, student bodies, artisan and women groups. We thank you for your support in the out-going year and for your contributions during the 2026 Budget Consultative Meetings which greatly enriched this budget and enhanced its impact.

31. Finally, Mr. Speaker, we hope the 2026 Budget will receive the same careful consideration from this Honourable House, while the Executive remains committed to its timely and effective implementation. We anticipate that 2026 will bring significant progress, prosperity and well-being to our citizens.

32. I thank you all, and may God bless you and continue to bless Ondo State.