

2021 BUDGET SPEECH DELIVERED BY THE GOVERNOR OF ONDO STATE, ARAKUNRIN OLUWAROTIMI ODUNAYO AKEREDOLU (SAN) TO THE ONDO STATE HOUSE OF ASSEMBLY ON FRIDAY 27TH NOVEMBER, 2020

PROTOCOL

It is with great delight that I stand before you today to present the fiscal estimate for 2021, which will be the fourth in the series of budgets I have been privileged to deliver to the people of Ondo State. I, therefore, give thanks to the Almighty God for his extravagant grace over my life. I also wish to reiterate my deep and heartfelt appreciation to the good people of this State, for keeping faith with us as demonstrated through the massive support we enjoyed throughout the electioneering campaigns and, particularly, during the gubernatorial election of 10th October, 2020. The confidence reposed in this administration means so much to me and will not be taken for granted.

2. It is worthy of note to eulogise and commend the level of patriotism, doggedness and maturity displayed by our people before, during and after the election. It is on record that the election was widely adjudged to be free and fair. The neutrality of Independent National Electoral Commission (INEC) in the entire process has further raised the hope and belief of our people in our democracy. Without mincing words our people

deserve to be celebrated for this feat and for the enlightenment in choosing continuity over sentiments.

3. Similarly, I wish to express my appreciation to this honourable House for the support you have given to this administration in the last three and half years. As an elected Governor, I consider myself and, indeed, the State blessed by the candour and civility with which this House conducts its business. It is one that makes for unabridged development and I continue to count on this strong partnership as we strive to build a stronger and virile State that stands on the tripod of prosperity, peace and progress.

4. Mr Speaker, today, we are confronted with very serious social, economic and difficult challenges, triggered by the novel coronavirus pandemic, Covid-19. Our Country is faced with severe economic downturn, with stunted economic growth, people losing their jobs; massive youths unemployment; with poverty and crime on the increase. The National economy continues to be vulnerable because of our almost exclusive dependence on crude oil and imported goods. Despite all the gloom and despair, the budget we are laying before you today which we have christened "**Budget of Hope**" seeks to define the pathway to our envisaged future.

ACHIEVEMENTS OF THE PAST

Infrastructure

5. Mr Speaker, this Administration has remained focus on its commitment to massive infrastructural development of the State since its inception in 2017. In demonstration of this, the construction and rehabilitation of over 141.125 Kilometres of inter and intra cities road had been completed while new roads projects had also been flagged off for construction and now at various stages of completion including the construction of road in virgin areas where road never existed before such as Idanre to Ijoka Akure and Okitipupa to Igbokoda.

6. The intervention in road construction was not limited to State roads. Some Federal roads in Ondo State had been given the deserved attention especially the portion damaged by explosion at Eleyewo along Akure-Owo road and other failed portions in Federal roads, across the State.

Completed Road Projects

7. The underlisted are the completed road projects spread across the State:

- | | |
|---|-----------|
| i. Rehabilitation of Lennon Jubilee-Solaco Road-Ugbe Road | -2.358 km |
| ii. Rehabilitation of Selected Road in Ifon | -2.063 km |
| iii. Construction and Rehabilitation of Oke-Alafia Road, Supare | -1.448km |

iv.	Dualization of Owo Township Road	-10.20km
v.	Construction/Rehabilitation of Selected Roads in Akure Township	-3.328 km
vi.	Construction of Selected Roads in Idanre	-2.760 km
vii.	Rehabilitation of Igbara-Oke/Isharun Township	-3.100km
viii.	Rehabilitation of Igbara-Oke/Ibuji Road	- 8.05km
ix.	Rehabilitation/Construction of Oke-Ogba Community,Road, Akure	-5.412 km
x.	Dualization of Mobil Junction-Obaile-Akure Airport Road	-8.950 km
xi.	Construction of Ademulegun Round about Idisin,YabaOndo	
xii.	Akure Motor Park Carriageway, Ondo (Phase I)	-9.500km
xiii.	Installation of Street Light on Airport Road, Akure	- 8.950 km
xiv.	Construction of Sabomi – Ajagba Road	- 2.300km
xv.	Construction of Fly Over across Benin – Lagos Express	-0.500 km
xvi.	Rehabilitation of Alagbaka SIB-Appeal Court	- 6.200 km
xvii.	Construction of Gaga Road in Akure	- 5.569 km
xviii.	Construction of Iyere/Ipele Road, Owo (Phase I)	- 3.050 km
xix.	Rehabilitation of Selected failed section along Owo –Ikare Road	- 39.00 km
xx.	Dualization of Ikare Township (Phase I)	- 0.500 km
xxi.	Construction of Okitipupa – Igbokoda Bye Pass Road	-12.60 km
8.	The following road projects are at various level of completion:	
i.	Construction of Ijoka-Idanre	-15.00 km

ii.	Dualization of CBN to Bishop Court/ Omoniyi / AdemolaAdesida/Arekemase/Apatapiti Road	-	3.2 km
iii.	Rehabilitation/Construction of Ile-Oluji Township Road	-	5.250 km
iv.	Rehabilitation of Selected Roads in Ondo Town, Group II	-	7.110 km
v.	Construction of Bolorunduro to Fagbo Road	-	8.050 km
vi.	Construction of Irekari II –Seebi –Ogunojobo/ Odanikin-Irese Road Junction	-	9.495 km
vii.	Construction/Rehabilitation of Olufoam/ Cele Sijuwade/Ologede/Situ/Ala Estate/Alaba Layout/ Club 20/Benny Rose Street (Phase A)	-	6.882 km
viii.	Dualization/Construction CBN –Bishop’s Court / Omoniyi RoadsAdemolaAdesida/Kayode Oladipupo/ Arekemase/ Apatapiti Layout (Phase B)	-	3.2km
ix.	Construction ofAule /Adetade/CBN Spur/Atibiti/ IrekariIteension/Ijapo Housing Estates/Oba-Ile Township Roads (Phase C)	-	4.5km
x.	Construction/Rehabilitation of Akunnu –Ikaram-Okeagbe up to CH. 7+000	-	16.625 km
xi.	Construction of Ikaram/Afin (from CH 7+000) Okeagbe-Ese-Irun/Ogbagi Road	-	24.5 km
xii.	Construction/Rehabilitation of Oba-Ikun-Afo Road	-	10.456 km
xiii.	Dualization of Shoprite to power line and Rehabilitation of Powerline to Oda Town (Phase I)	-	7.8 km
xii.	Construction/Rehabilitation of Araromi-Obu Township Road	-	5.42km
xiii.	Construction/Rehabilitation of Irele Township Roads	-	5.4 km

xiv. Construction/Rehabilitation of Selected roads in Owo.

9. Mr Speaker, I am pleased to inform you that this administration has achieved a lot in the area of provision of potable and hygienic water for its citizens through "KAMOMI AKETI" Rural Water Supply Projects. As at today, over 2,000 boreholes had been delivered to over 1,000 rural Communities across the State. Also, this administration has also made effort at rehabilitating the two most viable Water Schemes in the State which has long been abandoned for years. The State Government is collaborating with the Agency for French Development (AFD) and the African Development Bank (AFDB) respectively for Credit Facility to ensure provision of water for Akure Metropolis, as well as six other Local Government Areas including Akure North, Idanre, Ondo West, Ondo East, Ifedore and Ile-Oluji/Oke-Igbo. The implementation has since commenced with necessary procurement activities already carried out. The project when completed will avail our people the opportunity to have un-fettered access to potable water.

10. In addition, the rehabilitation of Oba-Akoko, Idoani, Ilutitun, Okitipupa and Oke-Igbo Water Scheme by the State Government is on-going and shall be delivered before the end of the year.

Health

11. Similarly, Mr Speaker, it gladdens my heart to inform you that this administration has done a lot in the health sector in the last three and half years. Some of the major achievements of this administration among others include:

- i. Ensuring the equipment gap in the health sector was resolved through ingenuity of our Partnership with MEDSHARE INTERNATIONAL to facilitate the donation of equipment and medical consumable worth about \$6million dollars;
- ii. Employment of over 500 health personnel including over 200 medical Doctors and Specialist to fill the personnel gap in the health sector in order to improve the quality of health service delivery;
- iii. Accreditation of UNIMEDTH in 18 specialties from the training of Post-Graduate Doctors and Medical Students;
- iv. Establishment of the Ondo State Contributory Health Commission to manage the State health Insurance Scheme;
- v. Establishment of the University Of Medical Science Teaching Hospital by Law;
- vi. Commissioning of the First Critical Care Unit at UNIMEDTH, Akure;

- vii. Launching of Free Medical and Child Health Scheme and designation of five-additional hospital as maternal and child centres in all three senatorial Districts;
- viii. Flag off of two ultra-modern hospitals of 250 bed each in Akure and Ondo branch of UNIMEDTH with three fully equipped operating theatre each.
- ix. Equipping and upgrading of Infectious Disease Hospital, Akure;
- x. Establishment of Isolation Centres in Ikare and Okitipupa;
- xi. Efficient management of Covid-19 Pandemic in the State. Ondo State is one of the few States in the Country that recorded low Covid-19 related death;
- xii. Support of Lassa Fever Treatment Centre at FMC, Owo with a dialysis unit and generator;
- xiii. Distribution of laboratory equipment to all Primary Health Care Facilities in Ondo State; and
- xiv. Support of Primary Health Care in all 18 LGAs with Special Funds.

Education

12. Mr Speaker, we have by the grace of God, improved the standard of education, by addressing the menace of low standard, poor performance in external examination and low teachers' morale. We approached the task in a holistic manner, renovated dilapidated school

building and built new ones where necessary. The sum of ₦3.1billion was committed into different projects comprising of about 167 projects, including the construction and renovation of school building, provision of furniture, computer sets, sports and agricultural equipment as well as installation of boreholes among others in all the 18 Local Government Areas of the State. At the tertiary level, Ondo State University of Science and Technology, now renamed as Olusegun Agagu University of Science and Technology, has continued to receive the attention of government with state of the art building and road infrastructure across the University Campus. The University has been widely celebrated for its entrepreneurial programmes. The tuition fee of our Tertiary Institution has been reduced considerably in order to reflect the economic reality of the moment.

Industrialisation

13. Mr Speaker, in our determination to achieve the desired industrial revolution in Ondo State, I embarked on an investment tour to China in 2017. That tour gave birth to an entirely new industrial park, now called Ondo Linyi Industrial Park, situated at Ore. The park is an offshoot of Linyi Municipal Government of Shandong in China where we signed a memorandum of understanding (MoU). Since that MoU was signed, many investors from the Shandong Province of China have made good their

promises to set up different industries in the park. As we speak, Honourable members, a Paper Mill, a textile company, Cassava to ethanol plant, a medium-density Fibre board, a high density fibre board, plywood factories and a host of other agriculture products-based companies have commenced production. These has provided over 6,000 direct jobs which will increase to about 20,000 in the long-run, while many more are expected to benefit from jobs created down the value chain for residents of the State.

14. Mr Speaker, I am glad to inform you that, it is a new dawn for our people at Igbokoda, Ilaje Local Government Area, as the State is executing an agreement, with a Private Investor, for the construction of a new glass manufacturing Company to replace the old Oluwa glass Company which has been destroyed beyond repairs. This will create the much needed employment for our people in the axis and bring about a new order of economic development to the Community. The licence for the Silica Sand has been processed by the State Government and construction activities are expected to start mid-2021.

Sunshine Food Processing Concept Limited

15. Distinguished Honourable Members, this project was spun-off via a Public Private Partnership (PPP) arrangement between Imperium Capital Partners and Ondo State Government to address the demand within the

global egg powder market packaged food in Africa, US and Canada and the ever expanding food industry. It has the capacity to process 500,000 eggs daily to various pasteurized egg powder and liquid products with ability to easily scale up to 1,000,000 eggs per day. This project is located at Km 3, Owo-Akure Express Road on Emure-Ile on a 100 Hectares of land and it is expected to be completed for operation towards the end of 2021.

16. Mr Speaker, at a time like this in our Country where there is youth restlessness, I am delighted to tell you that Ondo State Agribusiness Empowerment Centre (OSAEC) at inception of this administration targeted 18,000 youth at an average of 1000 per LGA of the State. Currently over 10,000 youth have been trained in Agriculture and Agribusiness and a greater percentage of this have been empowered. The infusion of above 10,000 trained able bodied youth will undoubtedly revolutionize the economic base of Ondo State. Succinctly, the under listed are the notable achievements of our government in Agribusiness in the last three and half years.

A. **Oil Palm Revolution**

- i. Facilitating access to top quality CIRAD Oil Palm Seedlings;

- ii. Facilitating top flight companies ventures into the State for full Oil-Palm Value-chain business. Altogether about 45,000 ha are coming under Modern Oil-Palm Project in the State.
- iii. Capacity building for Indigenous Oil-Palm agropreneurs in partnership with Organizations like PIND, IDIF from Netherlands, CIRAD and CBN for Funding.

17. Today, Ondo State has the highest number of small holders in Oil-Palm Value Chain.

B. Procurement of Top Quality Tractors for Sale to Farmers at 30% Subsidy

C. **Tomatoes Cultivation Promotion:** A lot of our people are into Cultivation of tomatoes now in the State. Some are now taking their harvest to Lagos.

D. Women were not left out, two of our women were sent to India this year to upgrade their skills in sericulture, we now use them as trainers for others.

E. 100 Earthen Ponds renovated at Epe – to accommodate 400 youths.

F. In all, we trained over 4,000 young ones, during the year in various agro-commodities value chain.

18. Honourable members, all the aforementioned achievements among others had resulted into National and International recognition and receipts of accolades for the State Government.

19. In spite of the low revenue inflow, Mr Speaker, we have through prudential management of the State's resources, continued to provide needed infrastructure and fulfil essential obligations of government, including the payment of workers salary. We have built a world-class revenue house building in Akure which is one of our effort geared at shoring up the revenue base of the State.

20. We have also pursued the Ondo Sea-port Initiative vigorously and we are only waiting for Federal Government declaration on the deep sea port. The State is optimistic that it will be granted a certificate of no objection to the establishment of its Deep Sea port by the third quarter of 2021, and plans are underway to ensure that the port will commence immediately the licence is issued. In the same vein, preliminary modular exploration of our Bitumen at Agbabu has begun and the economic multiplier effect will soon be felt by our people.

21. Honourable members, I am also delighted to report that we have used our previous budget to accelerate the pace of socio-economic transformation of the State through faithful implementation of various live changing initiatives. Today, Ondo State is not only a global benchmark in

a couple initiatives, the diligent and sincere implementation of our programmes has attracted the commendation of statesmen throughout the nation and even across political divides, and elicited public acknowledgement of our modest achievements.

Review of 2020 Budget

22. Mr Speaker, the State started with a budget of ₦187 billion. However, the outbreak of Covid-19 Pandemic necessitated a review of the budget mid-year. In the final analysis, it is instructed to note, Mr Speaker that the pandemic impacted the State economy as the outbreak in Nigeria and the World at large resulted into total lockdown of the economy which obstructed the various micro and macro-economic variables in the State which in-turn affected revenue accruable to the government and consequently its expenditure. As at the end of September 2020, revenue receipts stood at N100.476 billion of total expected revenue.

23. As a government, we have realised that without proper and aggressive reforms geared towards improving the revenue of the State, many of our programmes and projects would remain mere ambitious dreams. It is our belief that recent effort aimed at blocking revenue leakages will add fillip to our revenue expectations from all Ministries, Extra-Ministerial Departments and Agencies (MEDAs).

2021 Budget: The General Overview

24. In the last three and half years, we have as a State, embarked on a number of initiatives, some of which have earned the State special recognition and accolade. Some of these initiatives have been delivered while a number are still on-going. However, in view of the general economic trend in the Country, it is our desire to concentrate more effort on revenue generation with a view to completing the on-going projects. Hence, the major objective of the 2021 estimate is the consolidation of the modest gain of the last three and half years by the delivery of most of the on-going projects. This will be achieved through the following strategies:

- i. consolidate and improve on the provision of qualitative education strategy already embarked upon in the State;
- ii. sustain and improve the State's healthcare delivery system;
- iii. enhance the overall improvement in human capital development such that will empower youths, artisans and market women for wealth and jobs creation;

- iv. ensure security of lives and properties of the residents of the State;
- v. combat the spread of Covid-19 and ameliorate the effects of same on people, SMEs and MSMEs across the State;
- vi. ensure the completion of the on-going capital projects and also sustain the current investment in infrastructural facilities;
- vii. sustain and intensify the current efforts in Independent Revenue generation;
- viii. combat gender-based violence and facilitate social inclusion through target spending on the vulnerable and other marginalised group;
- ix. improve the State's fiscal performance to enable the State increase its draw-downs on Federal Government and international performance-based grants;
- x. reduce the State's reliance on Federal Transfers through diversification of the State's economy.

25. In order to achieve the aforementioned objectives, therefore, the following policy guidelines will be adopted:

1. Sustaining the ideal of providing conducive learning environment, instructional materials and improved ICT while bursary and scholarship to students in tertiary institutions will be given attentions;
2. Continuous provision of health facilities and re-invigorating of our existing health institutions;
3. Provision of requisite supports to the security agencies for crime prevention and control
4. Continuous and regular provision of palliatives for the less privileged and credit facilities to SMEs and MSMEs ;
5. Sustaining the hitherto investment friendly environment through improved ease of doing business and other incentives;
6. Provision of adequate support to the Internal Revenue Service on the engagement of professionals and use of ICT to drive Independent Revenue generation;
7. Aggressive monitoring of projects by appropriate agencies of government and regular review of performance of budget
8. Diversification of the State's economy with special focus on agricultural and industrial development.

2021 Revenue Projections

26. Mr Speaker, Honourable members, in order to achieve the visions and aspirations encapsulated in the policies for 2021, a total of ₦159.796billion is expected from various revenue heads in the course of the year. This projection is predicated on some of the assumption contained in the 2021-2023 Medium Term Expenditure Framework document of Ondo State as adapted from the Federal 2021-2023 MTEF document. Some of the assumptions are an oil benchmark price of \$40.00 per barrel; ₦1.86million Crude Oil production per day; Real GDP Growth of 3.00%; Exchange Rate of 379; and Inflation rate of 11.95%. Consequent upon these, the projected revenue is made up as follows:

		₦'B
i. Statutory Allocation	-	33.413
ii. Mineral Derivation	-	11.584
iii. Value Added Tax	-	12.926
iv. Internal Revenue (IR)	-	28.581
v. Grants	-	12.501
vi. Other Capital Receipts	-	42.072
vii. Financing	-	<u>18.719</u>
Total	=	<u>159.796</u>

Expenditure Estimate

27. Mr Speaker, Honourable Members, the current economic realities is an indication that we must consciously and pragmatically re-arrange our fiscal priorities to target the growth drivers of our economy. Hence, we have structured our expenditure priorities in the most practical terms to generate the highest mileage from every Naira spent. However, the nature of our recurrent commitments shows clearly that we cannot reduce recurrent expenditure beyond certain level because of personnel related costs, taking cognisance of newly recruited Medical Personnel and the almost concluded Primary School Teachers recruitment in the State. Hence, a recurrent; Capital Mix 65:35 is adopted for 2021 fiscal year.

Recurrent Expenditure Estimate

28. Mr Speaker, Distinguished Honourable members, a total of N103.022 billion has been budgeted for recurrent expenditure this fiscal year.

S/N	Head	Estimate (N)
		2021
1	Salaries and Wages	42,227,913,104.57
2	Overhead Cost	3,849,449,620.00
3	Special Programmes	10,667,243,853.61
5	Grants and Contributions	9,488,050,500.00
6	Transfers	12,240,588,280.46
7	Social Contributions and Social Benefits	10,915,880,000.00
9	Debt Service	13,632,855,034.70
TOTAL:		103,021,980,393.34

Capital Expenditure Estimates

29. My good people of Ondo State, as a way of consistently propelling growth and development in the State, a total of N56.267 billion has been earmarked for Capital execution this fiscal year. As I stated in the course of this presentation, our key focus in 2021 shall be to complete on-going projects. Consequently, provision has been made for the completion of the Shoprite/Oda road dualisation, Hospital/Ijoka road dualisation, Araromi-Obu township road and all other road projects that are currently on-going across the State. We shall take full advantage of this dry season to expedite construction works on the site.

30. Mr Speaker, in summary and in line with International best practices, government function have been classified on Sectoral basis for better understanding. Therefore, the breakdown of Capital Expenditure on Sectoral basis is as follows:

S/N	SECTOR	CAPITAL EXPENDITURE	%
1	ADMINISTRATION SECTOR	6,727,054,724.80	11.85%
2	ECONOMIC SECTOR	32,448,473,194.07	57.15%
3	LAW AND JUSTICE SECTOR	1,219,000,000.00	2.15%
5	SOCIAL SECTOR	16,379,604,348.52	28.85%
GRAND TOTAL		56,774,132,267.39	100.00%

31. The economic and Social Sector have the highest Sectoral allocation in the 2021 Budget proposal. This is understandable as the sectors are expected to stimulate the entire economy of the State, create jobs for our unemployed youths, as well as ensure that we provide care to the less privileged of our Society in our Social Inclusion Programme.

32. Mr Speaker Sir, Honourable Members, I want to place on record that the reduced size of the 2021 Budget compared to last year's Budget is evidence of our continued commitment to fiscal prudence.

CONCLUSION

33. Mr Speaker, I wish to acknowledge with appreciation, once more, your various contributions to the progress and development so far enjoyed in this State. Your disposition to governance has ensured the stability in our government and the attendant development initiatives

which have blossomed in the atmosphere of peace and tranquillity. Therefore, I wish to enjoin us all, to maintain the peaceful atmosphere so that together, we can bequeath the legacy of good governance to those coming behind.

34. Mr Speaker, let me acknowledge the trust and confidence that the good people of Ondo State have continued to repose in our Administration. This is a great honour and privilege. In the same vein, I wish to appreciate the invaluable support and cooperation of all our partners, including the stakeholders especially from the Private Sector which have continued to make our Administration a reference point, within and beyond the shores of Nigeria. Our gratitude especially goes to our party leaders, our revered Royal Fathers and Elder Statesmen, Spiritual Leaders, Development Partners, Non-Governmental Organisations, Civil Society Organisations, Professional Bodies, Trade Associations, the Press, our dedicated and committed Public Servants, Students and all well-meaning individual, and bodies of Corporations, comity of Associations and Unions, Artisans, and others too numerous to mention, for their continued support and cooperation.

35. Mr Speaker, as I eagerly look forward to an expeditious consideration and passage of this Budget proposal, I want to say that together we have demonstrated that responsive and purposeful

governance is possible in this clime. This was made possible by our taking a common stand on issues of development. Therefore, we must not look back as a people. We must continue to forge ahead. We must never return to the dark days of petty bickering that is capable of destroying the good legacies already laid. I use this medium to assure the citizens and residents of this State that I consider my re-election for a second term as a trust that you have vested in me and I will do my best, God helping me, not to let you down.

36. It is, therefore, my honour and privilege to present the details of the Budget proposal and the Bill to Mr Speaker for consideration by the Honourable Members. I wish us all a Merry Christmas and a prosperous new year.

EkúOdun.

EkúIyedun.

Emi wa, a se pupo.

37. Thank you all, God bless Nigeria, God bless Ondo State and God bless you all.