

2024 Budget Speech By Governor Seyi Makinde



Being the Speech By His Excellency Seyi Makinde, the Executive Governor of Oyo State, During the Presentation of the 2024 Budget of Economic Recovery to the Oyo State House of Assembly on Tuesday, 5 December 2023.

It is a privilege to come before you today to present the 2024 Oyo State Appropriation Bill. This year's presentation is special in two significant ways.

First, this is the first full budget presentation since our re-election into office in March 2023. And so, this budget presents an opportunity for us to show how we are matching our promises as stated in our Oyo State Roadmap for Sustainable Development 2023-2027 with definite action plans.

Second, this budget is a chance for our administration to show our responsiveness to the current economic headwinds. You would agree that

the effects of the twin action, that is, the removal of fuel subsidy and the removal of the Dollar to Naira currency peg by the Federal Government, have brought hardship to our people. Therefore, this budget proposal will cover specific projects, policies and actions, which, when implemented, will cushion the impact of the economic hardship our people face.

Mr Speaker Sir, Honourable Members of the House, it is on record that through these difficult times, our administration has been proactive in responding to the hardships our people face. We were the first State to roll out a subsidised bus service in June 2023 to help our people save on transportation costs following the removal of fuel subsidy.

Also, while other States were focused on providing palliatives to their people, we were thinking about more sustainable solutions. This birthed the Sustainable Actions for Economic Recovery ([SAfER](#)) initiative in August 2023. SAfER had various components, but even the Food Relief Package, which some would have seen as a palliative measure, had a deeper impact on our economy as all purchases for the package were made within the zones of distribution. This ensured that the funds circulated within our local economy.

Just last month, we implemented a [six-month salary award](#) of N25,000 for civil and public servants and N15,000 for pensioners in our dear State which was to start from October 2023. This wage award injected an additional N2.2 billion into our economy. This in addition to the consistent payment of salaries on the 25th of every month for the last four years and six months, further stimulated our economy.

It is against this backdrop that we have tagged our 2024 budget the Oyo State Budget of Economic Recovery.

Mr Speaker Sir, Honourable Members of the Tenth Assembly, it is my honour to present a total budget allocation of Four Hundred and Thirty-Four Billion, Two Hundred and Twenty-One Million, Seven Hundred and Sixty-Five Thousand, Nine Hundred and Thirty-Eight Naira and Seventy-Nine Kobo (N434,221,765,938.79).

The total Capital Expenditure is Two Hundred and Twenty-Two Billion, Three Hundred and Thirty-Seven Million, Three Hundred and Twenty Thousand, One Hundred and Ninety-Nine Naira and Eighty-Five Kobo (N222,337,320,199.85). The total Recurrent Expenditure is Two Hundred and Eleven Billion, Eight Hundred and Eighty-Four Million, Four Hundred and

Forty-Five Thousand, Seven Hundred and Thirty-Eight Naira and Ninety-Four Kobo (N211,884,445,738.94).

One thing you would immediately notice as you debate this budget is that we have been able to, once again, achieve a budget where Capital Expenditure is about 2.4% higher than Recurrent Expenditure. We believe that the growth of our economy is dependent on the fiscal decisions we take regarding our capital expenditure. Therefore, we are focusing on projects that will yield positive results for our economy in our areas of comparative advantage.

Since assuming office in 2019, we have worked towards reducing our infrastructural deficit in four focus sectors- Agriculture, Education, Health and Security. This has been largely responsible for the growth in our economy, such that for the fiscal year 2022, Oyo State was sixth in the highest Internally Generated Revenue (IGR) in Nigeria and number one in IGR from Local Government Councils.

In real terms, we are just a few months away from completely linking all five zones in the State through vital road networks. Mr Speaker Sir, Honourable Members of these Hallowed Chambers, we are aware of the recent complaints from our people on the state of inner roads in our dear State. But I must say that it is the fact that we started by interconnecting all the zones and reaping the economic benefits of that action that has better positioned us with the needed resources to address the issue of inner road rehabilitation.

And so, for this budget, we are estimating an IGR of Seventy-Two Billion Naira (N72,000,000,000.00) which is an average of Six Billion Naira (N6,000,000,000.00) per month. We have chosen a conservative amount which we hope to meet and surpass to ensure that we improve our budget performance from about 70% which we recorded last year. To achieve this, we will continue to use technology to block loopholes and expand our tax net to include more persons who are not already captured. As with the previous years, we have no plans of increasing taxes.

For example, streamlining processes within the Ministry of Lands, Housing and Urban Development has led to increased revenue from that ministry such that in October this year, the ministry generated its highest monthly revenue of N604.55 million. And just this October, we recorded an all-time revenue high of N4.8 billion for our Internally Generated Revenue in Oyo State.

You are also aware that we have expanded the sectors through which we are growing our Economy pillar from two to four with the addition of Solid Minerals development and Tourism.

To this end, we signed two executive orders this past October 2023. These are Executive Orders Numbers One and Two of 2023. For the solid minerals sector, we signed a first-of-its-kind executive order – I can report that no other State in Nigeria has been able to come up with something similar – that protects mining communities against insecurity and exploitation. We plan to work with these mining communities to ensure they and the State benefit from the exploitation of mineral deposits in our land.

Executive Order Number Two separates the Ministry of Culture and Tourism from the Ministry of Information and Orientation. This better positions the Ministry of Culture and Tourism to focus on the activities and projects it needs to carry out to harness the state's tourism potential.

Let me pause to thank the Tenth Assembly for your continued cooperation with the Executive Arm of Government, resulting in the easier passage of bills we have transmitted to the House of Assembly. It is our prayer that this mutual collaboration continues during this tenure to the benefit of the good people of Oyo State.

Mr Speaker Sir, Honourable Members of the House, further perusal of the 2024 Budget of Economic Recovery reveals the key sectoral composition as follows:

Education: Ninety Billion, Six Hundred and Fifty-Four Million, Nine Hundred and Forty-Nine Thousand, Two Hundred and Fifty-Two Naira and Sixty-Eight Kobo (N90,654,949,252.68) which is 20.88% of the total budget.

Infrastructure: Seventy-Four Billion, Three Hundred and Sixteen Million, Three Hundred and Twenty-Five Thousand, Seven Hundred and Six Naira and Eight Kobo (N74,316,325,706.08) which is 17.11% of the total budget.

For Health we have Forty Billion, Nine Hundred and Ninety-Eight Million, One Hundred and Ninety-Seven Thousand, Seven Hundred and Fifty-Eight Naira and Thirty Kobo (N40,998,197,758.30) which is 9.44% of the total budget.

While Agriculture gets Fifteen Billion, Eight Hundred and Forty-Eight Million, Seven Hundred and Eight Thousand, Thirty-One Naira and Eighty Kobo (N15,848,708,031.80) which is 3.65% of the total budget.

Mr Speaker Sir, Honourable Members of the House, this breakdown shows that our administration is once again prioritising our Education sector. When we assumed office in 2019, the huge deficits in this sector showed that we

would require N70 Billion to offset it. This called for innovative steps to save our schools and children's futures. So, aside from consistently paying the Universal Basic Education Commission counterpart funding that allows us to access matching grants from the Federal Government; we piloted the project whereby old students and alumni of schools can work with the State Government to fund infrastructural development. I want to report that the success of this project in Government College, Ibadan, has led to our opening the opportunity to other schools within the State. Additionally, although the percentage allocation to education in the budget remains largely the same at about 20%, the total sum allocated to education has been increased from about N58 billion in the 2023 budget to over N90 billion. We believe this will further help to reduce the infrastructure and manpower deficits in this sector.

Infrastructure comes next at 17.11% of our total budget. You will recall that we started with constructing the 110 km Senator Rashidi Ladoja Circular Road under Omituntun 1.0, focusing on the bridges and interchanges and the 32 km East End Wing. We plan to continue the construction of this road and, thereby, further open Ibadan up to increased economic activities. Furthermore, we have allocated funds in this budget to rehabilitate sixteen additional roads and four bridges.

Our Health sector is getting 9.44% of the budget. Although this represents a drop in percentage from our last budget, it represents a marginal increase of about N4 billion in budgetary allocation. We plan to continue with upgrading and equipping our healthcare facilities with funds allocated in this budget. We immediately plan to complete the outstanding Primary Healthcare Centres (PHCs) upgrades while equipping already rehabilitated facilities. We will also work with international organisations and development agencies to ensure that our Secondary and Tertiary Healthcare facilities receive the necessary attention to bring them up to standard.

Mr Speaker and the Honourable Members of the Tenth Assembly will note the same marginal increase of about N4 billion in the allocation to Agriculture. You will recall that we have initiated an inputs distribution package for our smallholder farmers under the SAfER initiative. We also worked with the World Bank to provide inputs to our smallholder farmers under the OYS-CARES programme. We plan to build on the various interventions we have introduced to help our smallholder farmers focus on productivity. At the same time, we will in the next few months, be completing work on the Fasola Agribusiness Industrial Hub. I am happy to report that the work done at this hub has further revealed the economic benefits of locating projects around our areas of comparative advantage.

Because of this project the Oyo Zone has been opened up for more business as that axis now hosts large and medium-scale agribusinesses. The Oyo-Iseyin Road reconstruction, which we commissioned in September 2023 is also driving business to this zone.

Mr Speaker Sir, Honourable Members of the Oyo State House of Assembly, we have taken the necessary steps to ensure that this budget addresses the economic challenges we envisage for 2024. It is our firm belief that with this budget, and the support of the good people of Oyo State, we will continue to grow our economy in the coming year. We therefore pray the House to see to the speedy passing of this 2024 Oyo State Appropriation Bill for the benefit of the good people of Oyo State.

Thank you, and God bless you.

Seyi Makinde

5 December 2023