



## KOGI STATE GOVERNMENT OF NIGERIA

AN ADDRESS DELIVERED BY HIS EXCELLENCY,  
THE EXECUTIVE GOVERNOR OF KOGI STATE

**ALHAJI (DR.) YAHAYA BELLO**

DURING THE PRESENTATION OF THE  
2023 DRAFT BUDGET TO KOGI  
STATE HOUSE OF ASSEMBLY

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30 TH NOVEMBER, 2022

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## **SPEECH BY HIS EXCELLENCY, GOVERNOR YAHAYA BELLO OF KOGI STATE TO THE KOGI STATE HOUSE OF ASSEMBLY DURING THE PRESENTATION OF THE 2023 KOGI STATE DRAFT BUDGET ON WEDNESDAY 30<sup>TH</sup> NOVEMBER, 2022**

### **Protocols**

1. I am proud to stand in these hallowed Chambers before you, the patriotic, brave and resilient legislators of the Kogi State House of Assembly, to present the 2023 Draft Budget for your close scrutiny and possible approval.
2. However, before proceeding to the business of the day I wish to comment on the unusual venue of this budget presentation and in doing so, I also wish to commend the Honourable Members of this great House, respectively and collectively, for your courage in the discharge of your duties.
3. Today, and for the first time since I started presenting Budgets to this august House in 2016, I am doing so outside the purpose-built facilities of the Kogi State House of Assembly. As the whole world knows, your Chambers at the House of Assembly Complex which this Administration reconstructed and furnished at great cost lie in ruins.
4. It was engulfed by flames in the wee hours of Monday, 10th October, 2023. Over a month after the incident, we are still working to unravel the origins of that fire which is as mysterious as it is suspicious. Until the cause is known and any culprits apprehended, we shall neither act rashly nor speculate wildly.
5. However, one thing has become crystal clear - you have displayed courage in confronting vested interests on behalf of the people of Kogi State who employed all of us to serve their superseding interests. On that score alone, let me say on behalf of our people that we are incredibly proud of each and every one of you.
6. We stand with you in your recent efforts to recover what belongs to our People from those who expropriated them. My Administration will continue to lead from the front in this too. We have ruffled feathers, and there are strong opposition, but I urge us to remain resolute. We will succeed in this matter too, but we have to confront and conquer obstacles as they come.
7. Michael Jordan, one of the greatest basketball players of all times and a man who overcame great odds to succeed, said something about forging ahead in spite of obstacles which I want to share with you: 'Obstacles don't have to stop you. If you run into a wall, don't turn around and give up. Figure out how to climb it, go through it, or work around it.'
8. Now that we understand better why today's event is holding at the Speaker's Lodge instead of the purpose-built facilities of the Kogi State House of Assembly, let me make an undertaking that your destroyed Chambers will be built back better and that you will soon be able to sit there again to discharge your duties.
9. Mr. Speaker and Honourable Members, I want to put it on record that the Kogi State House of Assembly is much appreciated for her partnership with those of us in the Executive and in the Kogi State Judiciary to provide transformational leadership and good governance to Kogi State.
10. This is a workaholic house which has passed well over 100 bills into law in the last seven years. This has helped to give legal bite to the gradual unfolding of our New Direction Agenda. I am committed to doing whatever will accelerate our collaboration to enable this Administration do even more for Kogi State before we hand over in January, 2024.
11. Distinguished Members are well aware that our nation faces serious socioeconomic challenges at the moment, some preceding and others proceeding, from the COVID-19





pandemic and how the world chose to respond to it. Also, the adverse effect of climate change, the Russia-Ukraine War and the decline in crude oil earnings along with the pervasive insecurity across the country continues to test our mettle.

12. According to the World Bank Group President David Malpass, 'The world economy is simultaneously facing COVID-19, inflation, and policy uncertainty, with government spending and monetary policies in uncharted territory. Rising inequality and security challenges are particularly harmful for developing countries.'
13. The Global Economic Prospects, a report published by the World Bank also sounds the same alarm as follows: 'Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates (in the aftermath of Covid-19) and as fiscal and monetary support is unwound across the world.'
14. This means that national incomes, including that of Nigeria, are poised to keep contracting across the globe well into 2023 and beyond. As a State, our share of the Federation Account allocation has fallen precipitously, making traditional income sources all the more unreliable in our quest to continue meeting our developmental goals for our State.
15. Honourable Members, I am confident that while the foregoing economic diagnosis may be grim, the prognosis need not be so. There are short- to mid-term mechanisms we can deploy to mitigate the effects of these adverse outlooks on our people and simultaneously improve their living standards.
16. This is why we have crafted the 2023 Budget as an instrument that will guide our efforts to fire up our economy and keep it burning. It is designed to capture only realizable revenues, enhance Internally Generated Revenue (IGR), aggressively pursue repayment of debts owed us by the Federal Government, and continue the process of realizing our investment objectives in Obajana Cement Company and other joint investments.
17. In addition, this budget proposal is expected to help us significantly reduce the cost of governance, enhance the ease of doing business, attract more foreign direct investments, block all leakages in our finances, prioritise completion of all on-going projects and even make room to undertake a few new ones which are too crucial to be left undone by this Administration.
18. It is in consideration of these and other objectives that we have tagged our 2023 Budget, THE BUDGET OF TRANSFORMATION. It focuses on continued provision of physical infrastructure, human capital development, job creation, wealth creation and poverty eradication in our dear State through significant upscaling of expenditures in Health, Education, Agriculture, Water Resources, Environment, Housing and Support for Women and Youth Empowerment programmes.
19. Esteemed Speaker of the House, Honourable Members, Ladies and Gentlemen, in view of the nose-dive in the nation's financial profile for reasons explained earlier, the proposed 2023 Budget will be slightly higher than that of 2022 because it represents our informed assessment of the funds the State can generate from other sources to augment its share from the Federation Account and other official sources.
20. The 2023 Budget is a peoples' budget that will drive acceleration in the delivery of basic infrastructure and social services. It is also conceived as an expenditure template that will strengthen our capacity to continue keeping our promises to them to ensure accelerated and proportional development of Kogi State in all her constituencies. Specifically, this budget targets areas of critical importance to our people as follows:

1. Peace and security.





2. Infrastructure development such as roads, bridges, electricity, and housing.
3. Improved Health Care Delivery.
4. Enhanced Internally Generated Revenue (IGR).
5. Education.
6. Human Capital Development.
7. Agriculture.
8. Water and Sanitation.
9. To mention but a few.
21. Our objective for focusing on these sectors is to make the State a healthy tourist center, enhance the creation of new job opportunities for Kogites, especially youths and women, and create a well secured polity that will boost commerce, trade and investment in spite of the prevailing circumstances elsewhere.
22. Another objective that will quickly become clear as the House scrutinizes this Budget Proposal is our resolve to end Kogi State's over-dependence on the Federation Accounts for her income. This is a trend we must begin to end, and no time is better than the present. You will see that we have plans to expand the State's earnings by restructuring the scope and approach to IGR generation.

## REVIEW OF 2022 BUDGET PERFORMANCE

23. Mr. Speaker, Honourable Members, our 2022 Budget of Accelerated Results has been fulfilling so far in terms of what we have been able to accomplish with it despite drawbacks, and before I present the year 2023 Draft Budget I wish to give you brief highlights of its performance as at close of work on September 30th, 2022:
  1. The total Revised Budget for year 2022 was N167,301,962,197.00 for both Recurrent and Capital Expenditures. The approved recurrent revenue for year 2022 was N113,338,050,753.00 out of which N65,524,976,323.51 was collected as at the end of September, 2022, representing 57.81% performance. The revised capital receipts for the same period was N53,963,911,444.00 out of which N19,206,559,109.42 was realized, representing 35.59% performance as at the end of September, 2022.
  2. A total sum of N100,718,345,545.00 was approved as recurrent expenditure in 2022, out of which the sum of N64,697,380,083.30 was spent as at September, 2022, representing 64.24% performance.
  3. The approved Revised Capital Expenditure for 2022 was N66,583,616,652.00 out of which the sum of N22,582,308,709.44 was expended as at September, 2022, representing 33.41% performance.
24. Despite shortfalls in funding the 2022 budget, we still recorded above average completions in projects, policies and targets set for the period:
  - a. We completed hundreds of kilometers of new and reconstructed roads in the 3 senatorial districts and opened them up for use by our people.
  - b. The Ganaja Flyover and Interchange in Lokoja was completed and put in use, along with a considerable network of township roads, vastly improving the traffic situation in our State Capital.





- c. Massive erosion works at Ankpa, Ogugu, Ozuri and other places were completed in conjunction with the Nigeria Erosion and Watershed Management Project (NEWMAP), rescuing those communities and thousands of citizens who reside in them from the threat of flooding and environmental degradation made worse by climate change.
- d. The 300-bed Reference Hospital at Okene, the Prince Abubakar Audu University Teaching Hospital, Anyigba, the District Hospitals at Gegu-Beki, Isanlu and Ajaokuta, the remodeled Specialist Hospital, Lokoja which are already in use or awaiting finishing touches are some of the prominent items among our many accomplishments in the healthcare sector this year.
- e. Lest I forget, in addition to the physical health facilities listed above, we also set the Kogi State Health Insurance Scheme on broader footing, and signed up another 15,000 beneficiaries to the scheme (Bello Care Scheme) this year, fully funded by our Government.
- f. The GYB Model Schools across the State, facilities at the Confluence University of Science and Technology (CUSTECH), the Kogi State Polytechnic and those at all our tertiary institutions in the state are a few of the inroads we made to improve education and learning for our children this year.
- g. We continue to give security of lives and properties as well as law enforcement efforts generally the priority case, including funding, that they deserve and in return, Kogi continues to maintain her place as one of the safest states in the country, despite the insecurity all around us.
- h. It does appear like our efforts in maintaining a clean slate security-wise has not missed the notice of the nation as we were conferred with the Distinguished Award for Security Management by President Muhammadu Buhari at the 2022 Nigeria Excellence Awards in Public Service (NEAPS).
- i. I would say that our superpower for these accomplishment is transparency and accountability in the management of public funds which has enabled us to make a small amount go a long way. In fact, during the year under review the Federal Ministry of Finance, Budget and National Planning in collaboration with the World Bank gave Kogi State awards for superlative performance in Fiscal Transparency and Accountability, Debt Sustainability and Domestic Revenue Mobilization.
- j. This brief Budget Speech is not the place to present a full list of all that we have built or renovated or accomplished in pursuit of our mandate as a government. Suffice it to say that our New Direction Administration has justified and will continue to justify the confidence that Kogites have reposed in us.

## **2023 BUDGET OF TRANSFORMATION**

- 25. Mr. Speaker, Distinguished Members of this Honourable House, our Year 2023 draft Budget is designed for enhanced mobilization of Internally Generated Revenue (IGR), collection of debt owed the State by the Federal Government, recovery of the State's equity share in Obajana Cement Company, provision of a more conducive environment for our development partners from all over the world to contribute to the State's economy.
- 26. Also, this instrument is drafted to further attract private sector investments to the State, encourage public-private-partnerships, emphasize completion of on-going projects while bringing on board new as time and funds will permit and, most importantly, eliminate wastes and leaks from the State's revenue value-chain. This is why, as stated earlier, this draft Budget for 2023 is proposed as a BUDGET OF TRANSFORMATION.

**To be continued on page 16**



## Reference Hospital Okene and Ultra Modern General Hospital Gegu-Beki, Eganyi and Isanlu







## Reference Hospital Okene and Ultra Modern General Hospital Gegu-Beki, Eganyi and Isanlu





## Reference Hospital Okene and Ultra Modern General Hospital Gegu-Beki, Eganyi and Isanlu





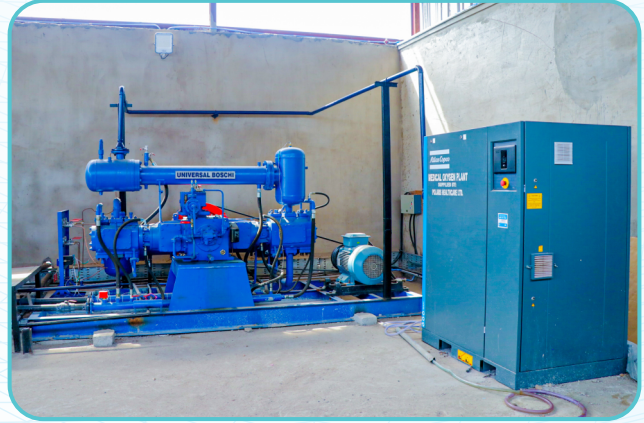


## Medical Equipments at the Reference Hospital Okene, Ultra Modern General Hospitals, Gagu-Beki and Isanlu





## Oxygen plant at the Reference Hospital at Okene





## **Emerald Scanner at the Reference Hospital, Okene**





## **Emerald Scanner at the Reference Hospital, Okene**







## Modern Science Secondary School, Adankolo





## President Muhammadu Buhari Civic Centre, Lokoja





## Ongoing Construction at Ganaja Flying-Over





## Ongoing Road project across the State





27. The key assumptions informing our projections for the Year 2023 are contained in the table below:

Item	2023
National Inflation	17.16%
National Real GDP Growth	3.75%
State Inflation	
State Real GDP Growth	
State GDP Actual	
Oil Production Benchmark (MBPD)	1.6900
Oil Price Benchmark	\$70.00
NGN:USD Exchange Rate	435.57

*Source: Federal Ministry of Finance, Budget & National Planning*

Exchange Rate (per USD)

**N435.57**



Benchmark Oil Price

**\$70.00**

Per barrel



Daily Oil Production

**1.6900**



Oil Price Today (per barrel)

**\$107.58**



Projected GDP Growth

**3.75%**



Targeted Inflation Rate

**17.16%**



28. The proposed 2023 Budget clearly indicates our objective assessment of the revenue portfolio of the state, ie., what the State can generate and what it is projected to receive from the Federation Account in addition to other revenue sources. Given the indices earlier canvassed, this Draft Budget is higher than the 2022 Revised Budget, and is based on credible and realistic assumptions on the State Revenue Cash Flow available.
29. It is important to note that there are a number of initiatives by the Federal Government to cushion the effects of COVID-19, the Russia-Ukraine war and other related issues, eg, the NG-CARES programme. The Kogi State Government is, of course, interested in drawing as much palliatives as possible to her people so we are prepared to play our counterpart roles as required.
30. Accordingly, the Kogi State Ministry of Finance, Budget and Economic Planning has factored the key requirements of these initiatives, including NG-CARES, into the preparation of 2023 draft Budget. However, a lot of deliberate and proactive measures will need to be taken by the relevant MDAs with strong political will and support from the State to sustain and improve on previous performance.
31. To this end, the budget has an estimated outlay of ₦172,090,787,292.00 for the Year 2023 as against ₦167,301,962,197.00 Revised Approved Budget for year 2022. This makes the 2023 draft Budget higher by ₦4,788,825,095.00 compared to 2022 Revised Budget, representing a 2.86% increase in reach.





32. The 2023-2025 Multi-Year Budget is premised on Zero-Based Budgeting principles and is tailored towards actualization of our State Development Plan. The key targets from a fiscal perspective are:
- Ensuring the actualization of the development priorities of the state government as articulated in the Kogi State Development Plan and respective Sector Implementation Plans (SIPs).
  - Maintaining a favourable proportion of Capital to Recurrent Expenditure.
  - To complete all on-going projects and adding new projects in the critical area of needs.
  - Expanding our revenue generation capacity so as to reduce over dependence on federation allocation.
  - Maintaining a sustainable debt position thereby reducing our State Domestic Debt profile.
  - Providing a conducive environment for investors and Donor Agencies to operate in the State.
  - Enhancing greater transparency, accountability and proper public expenditure.
33. The fiscal strategy of Government is anchored on the on-going Public Financial Management Reform (PFM). Over the period 2023-2025 the State Government fiscal policy is directed at:
- Improving the efficiency and effectiveness of spending.
  - Greater control of the wage bill.
  - Directing capital expenditure to critical infrastructure such as Road, Housing, Education, Health and such other thematic areas as Job creation, Youth Engagement, Infrastructure and Utilities and Public Sector and Pension Reforms.
  - Boosting revenue receipts by identifying and blocking revenue leakages; and gradual fiscal consolidation in order to achieve a level of public spending consistent with macroeconomic stability and sustainable debt.

### **BUDGET OBJECTIVES AND TARGETS**

34. Mr. Speaker, Honourable Members, we have tried to ensure that our good governance aspirations find expression in the 2023 Budget, with the specific fiscal objective being effective allocation of scarce resources to identified critical programmes and projects, in line with the following major targets:
- To improve the quality of education at all levels and make it accessible to all citizens and to produce the bulk of skilled manpower necessary for economic transformation of the State locally.
  - To further democratize access to healthcare by sustained improvement in the efficiencies of our healthcare delivery system.
  - To ensure food security and generate a high proportion of the GDP from agriculture.
  - To exploit the full potential of our economy and expand trade and commerce in the State.
  - To ensure that products from our agricultural and industrial activities have access to markets locally and internationally.
  - To ensure gainful employment of youths and create opportunities for the development of their talents.





- g. To achieve sustainable development and promote social and economic development through culture and tourism.
  - h. To establish the necessary framework for a robust Mining and Solid Minerals sector, to brand Kogi State as the foremost solid minerals mining destination.
  - i. To improve the road network in urban and rural areas through construction of new roads, bridges and rehabilitation of existing ones.
  - j. To improve the quantity, quality and access to safe water for domestic, commercial and industrial uses as well as improve sanitation and hygiene practices among the citizens.
  - k. To ensure sustainable use of the environment and continuous management of environmental challenges such as pollution, flooding, degradation and gully erosion.
  - l. To facilitate the social and economic development of the State by ensuring easy and responsible access to lands for agricultural, residential, commercial and industrial uses to all citizens and investors.
  - m. To improve the quantity of decent housing and facilitate the creation of viable urban communities in the state.
  - n. To improve and expand affordable housing options through public-private partnerships.
  - o. To cut the cost of governance and ensure that our people are the ultimate beneficiaries of public resources.
35. Mr. Speaker, Honourable Members, before we leave office on 27th January, 2024, we will strive to complete every single project we have started in each of our 21 Local Government Areas and we intend to pay off every contractor we have commissioned to work for us.

### SUMMARY OF THE 2023 DRAFT REVENUE AND EXPENDITURE ESTIMATES

36. In summary, the draft 2023 Revenue and Expenditure Estimates i.e. the proposed 2023 Budget, has an estimated outlay of ₦172,090,787,292.00. This total budget outlay of ₦172,090,787,292.00 is divided into Recurrent Expenditure of ₦101,299,129,341 representing 58.86% and Capital Expenditure of ₦70,791,657,951 representing 41.14%. This summary is graphically represented in the table below:

Expenditure Item	Allocation	%
Recurrent Expenditure	101,315,129,341	58.87%
Capital Expenditure	70,775,657,951	41.13%
Total	172,090,787,292	100%

Code	Sectors	Allocation	%
01	Administration	48,080,416,023	27.94%
02	Economic	53,740,042,951	31.23%
03	Law and Justice	7,131,229,533	4.14%
05	Social	63,139,098,785	36.69%
	<b>Total</b>	<b>172,090,787,292</b>	<b>100%</b>





37. Mr. Speaker Sir, Honourable Members, Distinguished Guests, Ladies and Gentlemen, let me now present to you the Year 2023 Draft Budget for your consideration and approval. The total Budget package for Year 2023 is ₦172,090,787,292.00 as against ₦167,301,962,197.00 approved in the revised budget for Year 2022 which is an increase of ₦4,788,825,095.00 or 2.86% when compared with the 2022 Approved Revised Budget.

38. I now have the honour and privilege to invite this Honourable House to:

**A. Note:**

- ii. That a total estimated recurrent revenue of ₦111,248,278,186 consisting of ₦24,826,741,265 from internal sources, ₦52,000,000,000 as statutory allocation from the Federation Account, ₦2,000,000,000 from Kogi State Mineral Fund (13% Derivation), ₦25,100,000,000 from Value Added Tax (VAT), ₦100,000,000 from Excess Crude, ₦790,000,000 from Budget Augmentation, ₦1,000,000,000 from Exchange Differentials, ₦3,000,000,000 as refund from Federal Government, ₦1,000,000,000 from Non-oil revenue, ₦200,000,000 from forex equalization, ₦231,536,921 from Recovery Excess Bank Charges, ₦500,000,000 from Solid Minerals and ₦500,000,000 from Ecological Fund.
- iii. That the Recurrent Revenue for the year 2023 stands at ₦111,248,278,186 while the estimated Personnel Cost, Overhead Cost and Public Debt Charges for the same period stand at ₦53,512,113,681, ₦37,080,467,838 and ₦8,089,621,595 respectively while transfer payments, grants and contribution stand at ₦2,632,926,227 putting the total recurrent expenditure for 2023 at ₦101,315,129,341.
- iv. That based on the above, we have a total estimated Transfer Surplus of ₦9,933,148,845 as part of Capital Development Fund.
- v. That the estimated Capital Receipt is ₦60,842,509,106 comprising Internal and External Loans, Aids and Grants. However, if the transfer Surplus of ₦9,933,148,845 is added to this amount, we shall have ₦70,775,657,951 as available fund for capital development projects.
- vi. That the total estimated capital expenditure, therefore, stands at ₦70,775,657,951
- vii. That the total estimated revenue (i.e. recurrent revenue and capital receipts) stands at (₦172,090,787,292 for the year 2023 and the total estimated expenditure i.e. Recurrent and Capital stands at ₦172,090,787,292) for the year 2023, making the 2023 Draft Budget a balanced budget.

**B. APPROVE:**

- i. Total estimated revenue (Recurrent Revenue and Capital Receipts) of ₦172,090,787,292
- ii. Total estimated expenditure (Recurrent and Capital) of ₦172,090,787,292
- iii. A balanced budget of ₦172,090,787,292 for 2023 fiscal year.

39. Mr. Speaker Sir, Honourable Members, Distinguished Guests, Ladies and Gentlemen, it is now my pleasure to formally present to you the year 2023 Draft Budget, otherwise known as our Budget of Transformation, for your deliberation and approval.

40. I warmly wish you all the very best of the yuletide season, a Merry Christmas and a peaceful, prosperous and fulfilling New Year in advance.





41. I thank the Kogi State House of Assembly for her usual co-operation and support to the Executive in this administration. Together we will continue to move Kogi State forward.
42. God bless this House!
43. God bless Kogi State!
44. And God bless the Federal Republic of Nigeria!
45. Thank you for listening.

**ALH. (DR.) YAHAYA BELLO**

*Governor of Kogi State*





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