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CITIZEN BUDGET

BUDGET OF JOBS, SOCIAL JUSTICE AND EQUITY

APPROVED 2017 – 2019 MULTI-YEAR BUDGET

MINISTRY OF BUDGET AND PLANNING

State Secretariat Complex, Independence Way,
Kaduna, Nigeria



www.mobp.kadgov.ng



@kdmobp



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BUDGET TERMS

Budget is an estimation of expenditures and revenues of the government over a specified period, usually a year.

Recurrent Expenditure is the part of the total government expenditure meant for monthly payment of salaries of government workers, payment of debts and daily running of ministries.

Capital expenditure is the part of government expenditures meant for capital projects (Schools, hospitals and markets) in the state.

Personnel Costs are the part of recurrent expenditure of government used for the payment of salaries and pensions of government workers.

Overhead costs are the part of recurrent expenditures of government used for daily or periodic administrative expenses.

Debt stock is the total of domestic and external debts of the government over a period of time.

Debt servicing is the amount of money allocated in the budget for the repayment of interest or principal of domestic and external debts.

Revenue is the total amount generated by the government over a specified period.

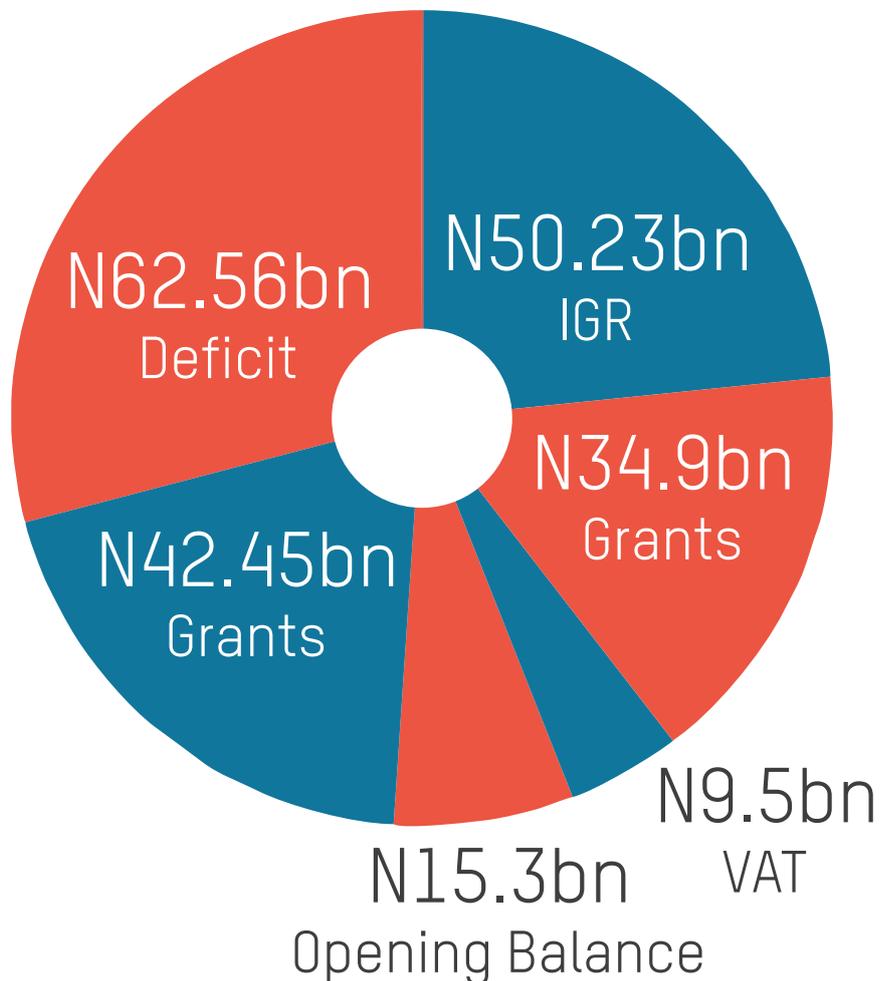
Released capital expenditure is the part of the capital expenditure budget that a ministry or agency can access for its capital projects. This is the amount authorized by the Ministry of Budget and Planning after due procurement process has been fulfilled.

Cash-Backed capital expenditure is amount in cash made available for execution of capital projects.

Utilised capital expenditure is the total amount paid out by the Ministry, Department or Agency upon the provision of a service by a Contractor or Agency.

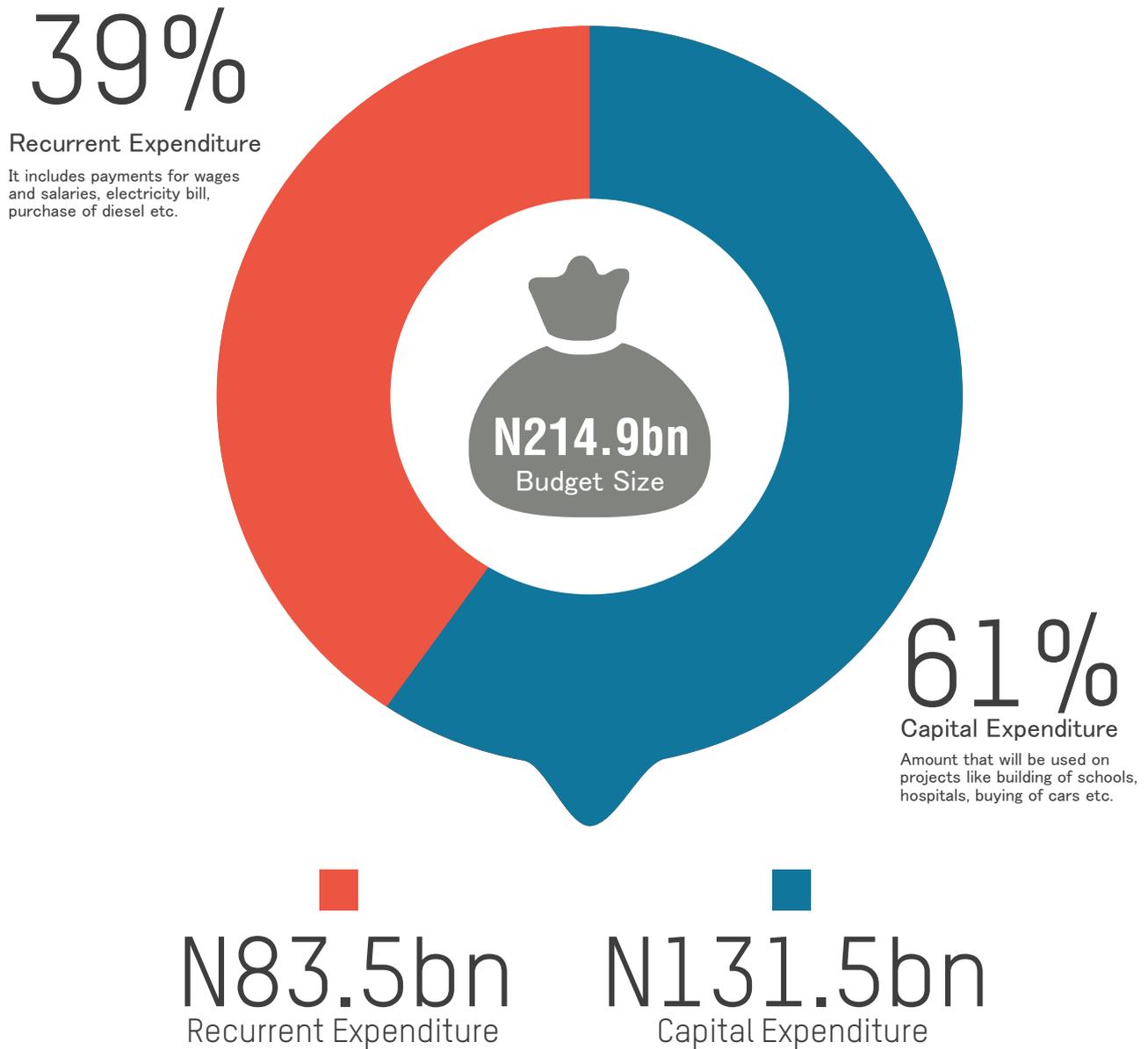
N214.9bn
BUDGET

WHERE WILL THE MONEY COME FROM?



The 2017 Approved Budget is a deficit budget. Budget deficit happens when the governments spends more than it earns as revenue. Then the government must borrow money.

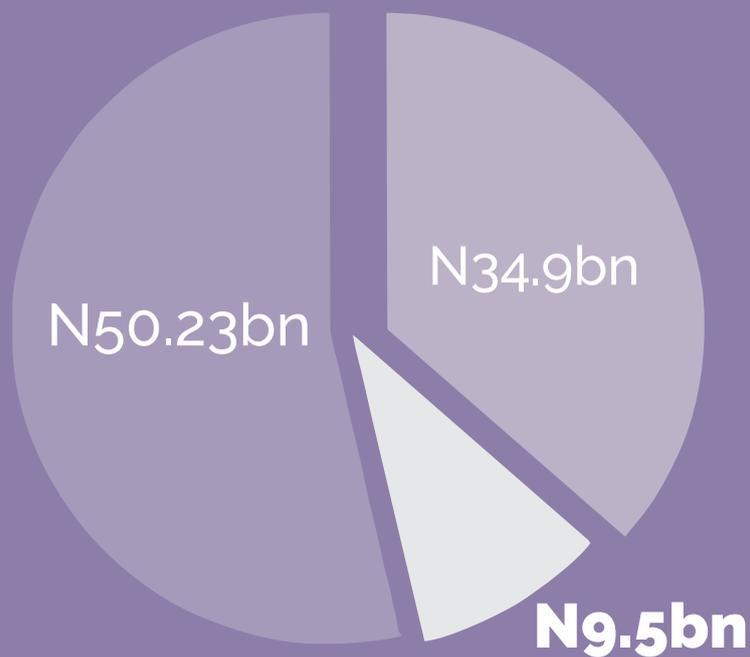
WHERE WILL THE MONEY GO?



WHERE WILL THE MONEY COME FROM?



WHERE WILL THE MONEY COME FROM?

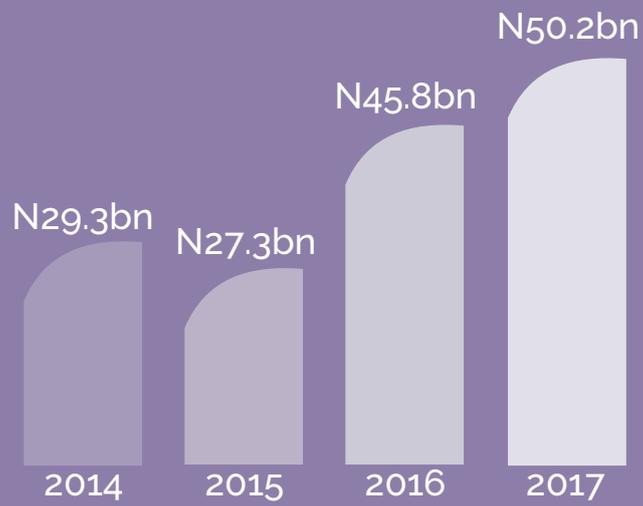


■ VAT ■ IGR ■ STATUTORY ALLOCATION

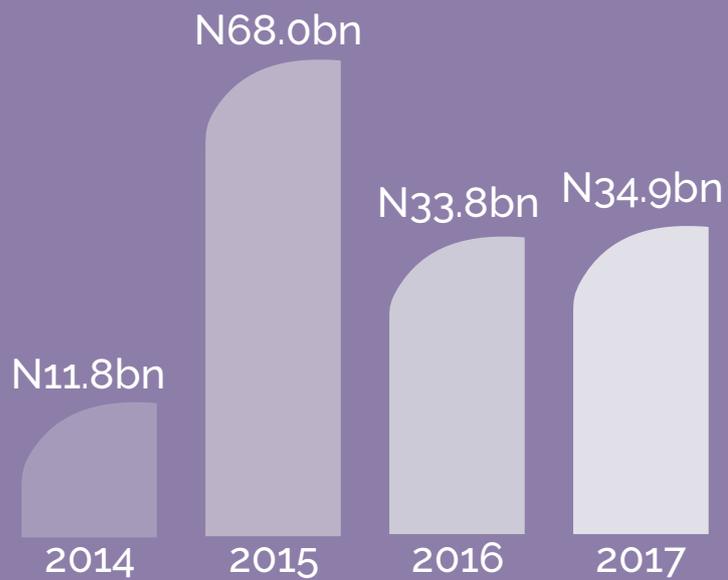
The state is estimating an opening balance of N15.3bn

Revenue is the amount of money the government believes it will make during the year; this is simply money collected on your behalf.

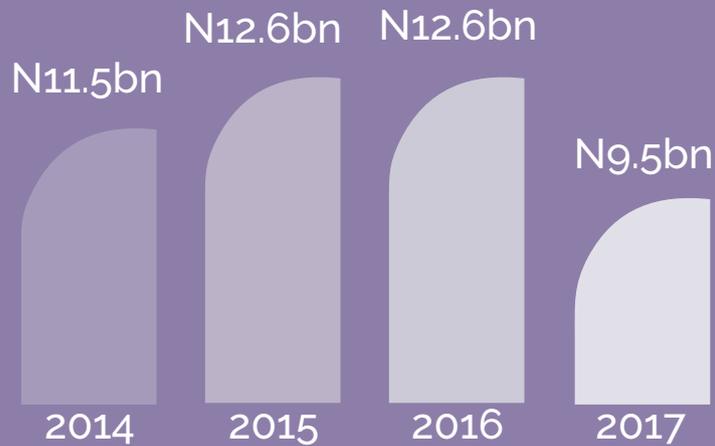
INTERNALLY GENERATED REVENUE



STATUTORY REVENUE (FAAC)

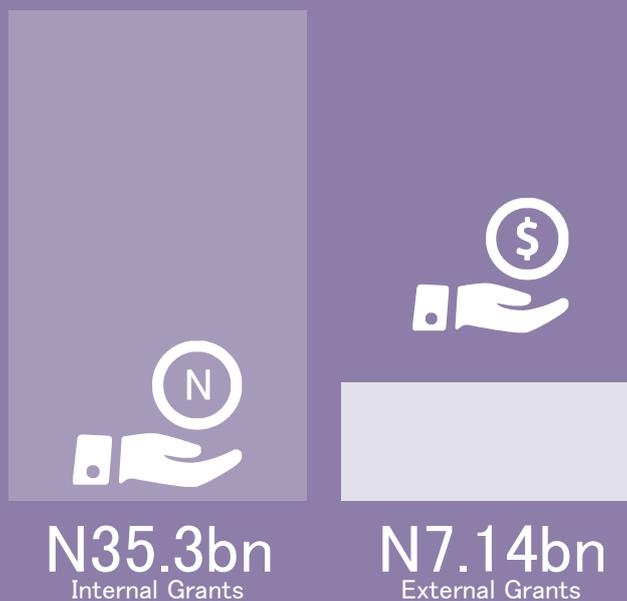


VALUE ADDED TAX ALLOCATION



GRANTS (INTERNAL AND EXTERNAL)

Grants are non-refundable funds disbursed to the government to execute projects. Grants are like gifts to the government.



EXTERNAL GRANTS

N7.14bn

WHERE WILL THE MONEY GO?



N15m

UNICEF
Assisted
Programmes



N100m

Food and Nutrition
Programme
(UNICEF/DFID)



N20m

Tuberculosis &
Leprosy Control
(Netherlands
Leprosy Control)



N10.5m

Onchocerciasis
Control (NGDO
with WHO)



N1.8bn

Solar for Health
Care Initiative to
Improve Health Care
Delivery (DFID Grant)



N2bn

Global Partnership on
Education (NIPEP
World Bank)



N323.8m

Sanitation, Hygiene
and Water in Nigeria
(SHAWN II)– UNICEF



N54.1 m

Teachers Development
Project (TDP)– DFID
Joint Projects



N69.3m

Malaria Control
Programme
(Global Fund)



N700m

Saving one Million
Lives Initiative



N2bn

Revenue From
National Health
Act



N42.8bn

Strengthening
Routine
Immunization
(Tripartite MOU)

INTERNAL GRANTS

N35.3bn

WHERE WILL THE MONEY GO?



N60m

UBEC Intervention on Teachers' Professional Development



N14.7bn

Counterpart fund for Nutrition (Primary, IQTE, & 31 boarding Sec. Sch.)



N438.4m

UBEC Intervention Trust Fund (2015)



N521m

UBEC Special Education Intervention (2016)



N494.9m

UBEC Intervention Trust Fund (2017)



N31.7m

Tertiary Education Trust Fund (COE) Normal Intervention (2010-2012)



N251.9m

Tertiary Education Trust Fund (COE) Special Intervention (2017)



N90.3m

Tertiary Education Trust Fund (COE) Special Intervention (2017)



N251m

Tertiary Education Trust Fund (NBPZ) Normal Intervention



N2.1bn

2015 Special Intervention (KASU)



N14.4bn

FG Budget support Facility



N237.8m

2017 Presidential Needs Assessment Intervention



N1.5bn

Identification and Assessment of Ecological Problems (FGN Ecological Fund)



N42.8m

Strengthening Routine Immunizations (Tripartite MOU)



N4.8m

State pension donor support fund



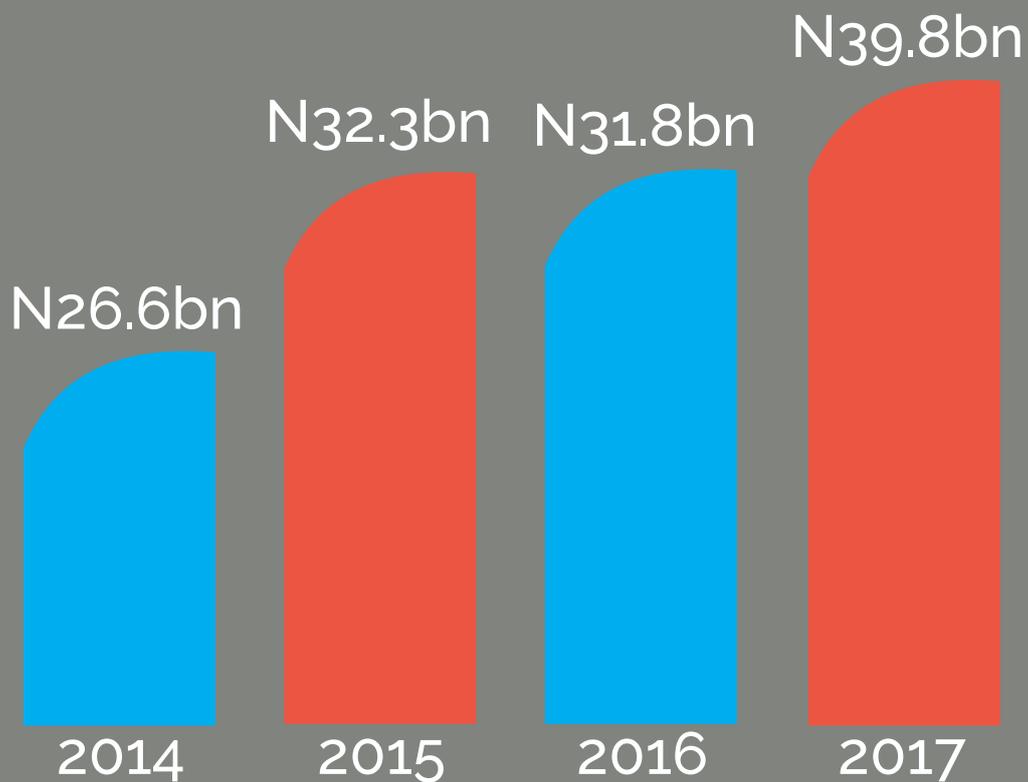
N117.9m

2015 Nominal Intervention (KASU)

WHERE WILL THE
MONEY GO?



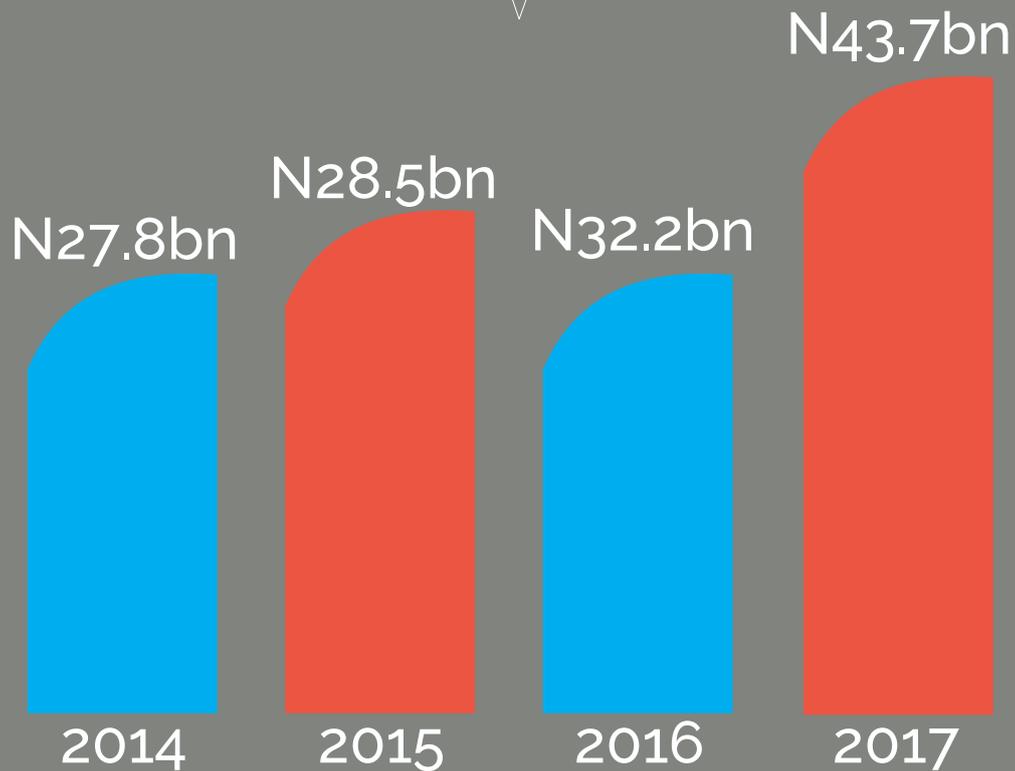
PERSONNEL COSTS



Personnel Costs are the total amount including salaries, allowances and other benefits that Government pays to its workers (civil servants and political office holders).

These are the people the Government employs to work for you and provide what you need, as a citizen.

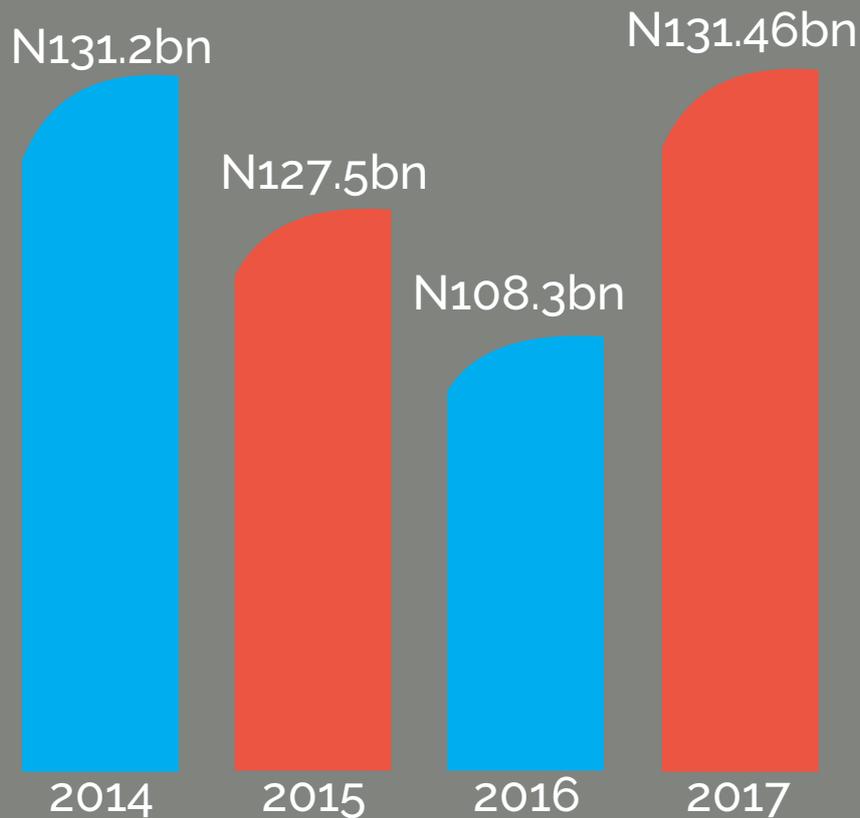
OVERHEAD COSTS



These are any regular expenses which are not paid directly to a civil servant or other government workers, including amounts billed directly to customers. Overheads must be paid for regularly.

Examples are: electricity bills, water bills, the buying of diesel for generators, or the money spent on traveling during work, by civil servants and political office holders.

CAPITAL EXPENDITURE



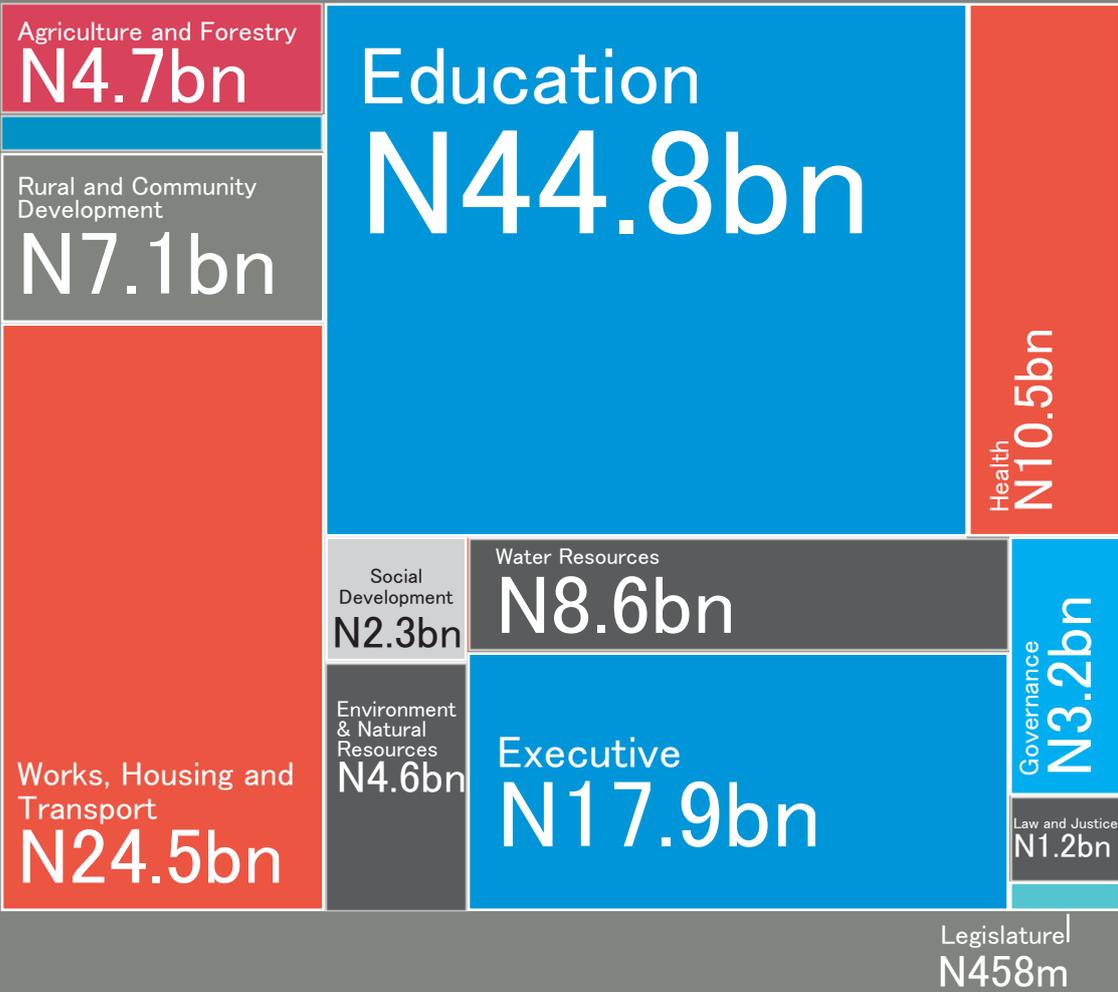
Capital Expenditure is money spent by government to get fixed capital assets, land or intangible assets. This means Capital Expenditure is how much is used for projects like the building of schools, hospitals, roads, or buying security equipment. Capital Expenditure is sometimes called “Capex.”

CAPITAL EXPENDITURE

N131.46bn
How will the Capital Expenditure be utilized?

Commerce, Industry and Tourism

N1.6bn



SELECTED CAPITAL PROJECTS



N1.18bn
Agricultural Seeds
250,000kg



N1.57bn
CCTV Camera
Surveillance
Equipment



N1.2bn
Kudenda Power
Project



N1.3bn
Infrastructure
at New Layout



N4bn
Kaduna
Metropolitan Rail
Transport



N14.7bn
Nutrition for
primary pupils



N1.5bn
New state govt.
Admin. Building



N11.4bn
Township roads
projects



N1.5bn
Upgrading & Equipping
(General Hospitals)



N20bn
Rebuilding and
Equipping
(Primary &
Secondary Schools)



N1.7bn
Construction
of Water Reservoir



N1.37bn
Refuse Evacuation
Centres



N1.79bn
Digitalization of
Kaduna
State Television



N2.98bn
Renovation of Health
Centres

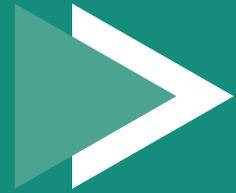


N2bn
Construction of
300 Bed
Specialist Hospital



N510m
Furniture for
Students and Teachers
(Secondary Schools)

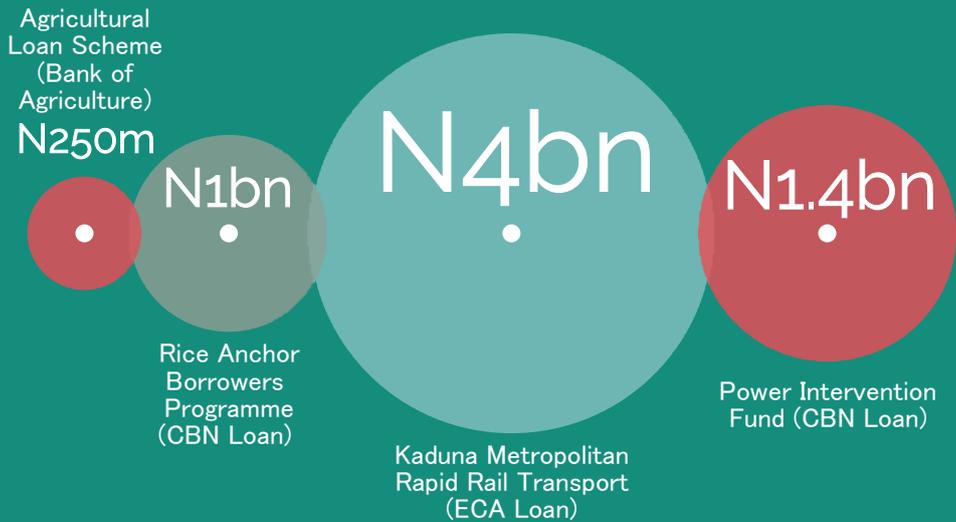
HOW WILL THE
DEFICIT BE FINANCED?



INTERNAL LOANS

N6.65bn

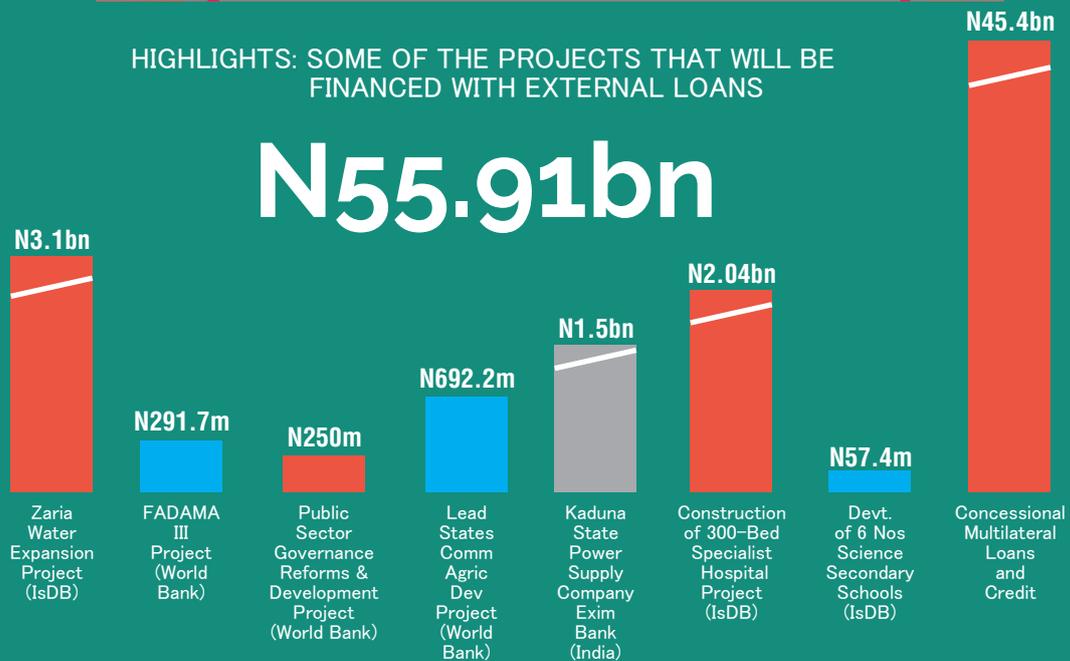
HIGHLIGHTS: SOME OF THE PROJECTS THAT WILL BE FINANCED WITH INTERNAL LOANS



EXTERNAL LOANS

N55.91bn

HIGHLIGHTS: SOME OF THE PROJECTS THAT WILL BE FINANCED WITH EXTERNAL LOANS



BUDGET SPEECH

2017-2019 MULTI-YEAR BUDGET OF JOBS,
SOCIAL JUSTICE AND EQUITY



2017-2019 MULTI-YEAR BUDGET OF JOBS, SOCIAL JUSTICE AND EQUITY

Address by Malam Nasir El-Rufai, Governor of Kaduna State, at the presentation of the draft 2017 Revenue and Expenditure Estimates to the Kaduna State House of Assembly; Lugard Hall, Kaduna; Wednesday, 12th October, 2016.



PROTOCOLS

Let me begin with a word of thanks to Mr. Speaker and all our Honourable Lawmakers for receiving us in these hallowed chambers. On behalf of the Executive Branch, permit me to acknowledge with profound gratitude the commitment that the Kaduna State House of Assembly has demonstrated to an enduring partnership in the interest of our people. This tribute is fully deserved, and can be attested to by the sheer number of laws that this House has passed in the last 16 months to put our state back on the track of social justice, equity and equal opportunities for all our citizens.

I recall with gratitude the thoroughness with which you considered the draft 2016 estimates, which you kindly passed in record time. That enabled us to sign the 2016 Budget by 22 December 2015, and issue expenditure warrants effective January 1, 2016. With your legislative diligence and support, we have now institutionalised a system that aligns the fiscal year with the calendar year.

Thus far, our government is playing its role as a catalyst of development, an enabler of private enterprise, a facilitator of opportunity for the distressed and marginalised majority whom we have now made the recipient of our spending on the social sector and for the expansion of economic openings. This government supports and encourages aspiration, and is broadening access to education, healthcare and training. We are mounting a concerted assault on the causes of poverty by providing the less-privileged a substantive ladder to a better life, upward mobility and social justice.

This has been a challenging year on a macroeconomic level. A sustained and severe decline in national revenues in a mono-product, import-dependent economy and the attendant deteriorating exchange rate of the Naira have fuelled inflation, resulting in a contraction of the national economy. This is part of the consequences of the previous eight years when the Yar'Adua and Jonathan governments reduced the Excess Crude

Account from \$27bn to \$2bn, ran down foreign reserves from \$40bn to \$25bn while managing to double the sovereign debt and squandering billions of dollars in oil revenues along the way. This is exclusive of revenues from NIMASA, NLNG, NPA and other agencies. With pipeline vandalism and oil prices going as low as \$26 per barrel post-29 May 2015, the economy was up against it.

Across the country, the fact of a fiscal crisis is deeply felt as many state governments find it hard to meet their salary obligations regularly and comprehensively. Kaduna State has been spared the worst of this fiscal crisis, due to our early effort to shrink the size of government, curtail waste and fraud, and the discipline that the TSA you legislated, enabled us to impose on public finances.

With the public sector at the national level so buffeted, it is no surprise that the private sector is at best tentative in its investment choices. There is no doubt that the managers of the national economy are taking prompt action towards rebuilding investor confidence, to align fiscal and monetary policy and restore the clarity that business cherishes. These must be accelerated and implemented with the urgency the economy deserves.

At this point, permit me to pay tribute to the support Kaduna State has received from President Buhari and Vice President Osinbajo, aided by the CBN governor and the ministers of Finance, Works, and Budget and Planning.

The troubled national economy is an impediment, in a fiscal structure where the Federal Government is the dominant revenue source, and where only one of 36 states – Lagos – has achieved the revenue independence that all state governments must strive to attain. That is why we are working hard to grow our Internally-Generated Revenues (IGR) to help make our state less dependent on Federal Allocations. In June 2016, for the first time in the history of the state, we raised more than

N1.6bn as IGR for the month.

We are accelerating and broadening tax-payer registration. We shall soon propose for your approval lower ground rents and other land –related charges to encourage claimants to land throughout the state to obtain certificates of occupancy, while introducing land use charges and garbage collection dues in our urban areas of Kaduna, Zaria and Kafanchan.

To further emphasise our determination to raise more revenues, we have notified all MDAs that we will be so strict on revenue targets that in 2017, the release of their budgeted overheads will be linked to each Ministry or Agency's revenue performance.

REVIEW OF THE 2016 BUDGET



Despite these difficult headwinds, the Kaduna State Government has persisted with a determined effort to implement the Restoration Programme, the document in which we set out our plans to change Kaduna State and make it great again.

The 2016 Budget was structured to align spending towards pro-poor priorities, mainly in Education and Health. Our interventions in the sectors have improved access to learning and healthcare. We launched the School Feeding Programme for primary schools, which in January 2016 began providing one meal every school day to 1.5m pupils.

By May, we had expanded the Programme to include 0.3m children in our early child education segments of the primary schools, thus bringing the total to nearly 1.8m children. This initiative to improve the nutrition of children in public primary schools was costing the state about N1.1bn every month.

At the end of the 2015/2016 session, we decided to put into effect lessons learned in the first seven months of the programme. This review includes a re-examination of the entire vendor recruitment and payment processes to secure better value for money through biometric verification. The 2016/17 school session has begun with enrollment of pupils that is projected to rise to more than 2m pupils.

We have decided to delay the commencement of our primary SFP in this session until this re-examination is concluded and we are reimbursed by the Office of the Vice-President (OVP) for the matching grant to cover part of the expenses incurred on the programme from January to July

2016. We were encouraged to be a pilot state for the School Feeding Programme and began implementing the programme when we did based on assurances that we will be reimbursed for the feeding of pupils in primary classes 1 to 3, which account for more than 60% of the monthly cost of the feeding. We are aware that the OVP is making every effort to hasten the reimbursement to enable the state to continue this laudable implementation of a key APC manifesto commitment.

We made a start at the rehabilitation of schools and the provision of furniture, water and toilets. With more than N6bn already spent to make over 400 schools better, a gargantuan investment is required to extend it to all our 4,265 primary schools. This, we are committed to achieving. We have also realized that what our state education needs is a total rebuilding programme of classrooms and physical facilities, and intensive teacher training, rather than rehabilitation of dilapidated and congested facilities manned by largely unqualified teachers. We intend to complete existing contracts while launching a comprehensive rebuilding programme in 2017, by God's Grace.

Our Health Sector made great strides with the efforts to reduce maternal and infant mortality. Strong commitments to routine immunisation continue, and our investments to protect our children from preventable diseases are being vigorously supported by our development partners. We have signed agreements with General Electric Healthcare for the modernisation of 255 Primary Health Centres (one in each of our wards). The rehabilitation and preparation of these PHCs to receive life-saving equipment will

kick off soon, and will be completed in early 2017.

We continue to deliver free health care to children under-5, pregnant women and the elderly. On HIV/AIDS, we have made progress in slowing the scourge as a testing programme that covered over 126,000 pregnant women across the state has revealed about 0.3% prevalence. We have secured accreditation for Barau Dikko Hospital as a teaching hospital for Kaduna State University, even as we continue to refurbish our general hospitals.

We have responded to the recent malaria epidemic by making anti-malarial drugs free for all citizens and ramped up the distribution of free bed-nets in our public hospitals. The Ministry of Health and Human Services will fumigate parts of our state where the epidemic appears most prevalent to improve preventive care.

Mr. Speaker, Honourable Members, in the outgoing budget year, we coupled robust investments in the social sector with strong support for the economic sector. Through creative negotiations with private manufacturers and suppliers, we secured affordable fertilizer for our farmers without burdening the treasury with the cost of fertilizer subsidy. We recovered significant acreage of forest reserves and commenced a tree-planting campaign that aims to beautify our state through greenery, combat desertification and create jobs and economic opportunities.

Such is the robustness of our commitment to safeguarding agriculture that we were the first state to begin containment of the ravages that *Tuta absoluta* caused to our tomato crop by declaring an emergency and nipping it in the bud in an effective and timely manner.

We recorded tremendous progress in our drive to improve infrastructure to make life more comfortable for our people and expand

opportunities for business. This year, we brought the Zaria Water Project closer to completion. We liquidated the N3.6bn arrears of payment owed the treatment plant contractor by the previous administration. Mr. Speaker, I am pleased to announce that the 150 million litres per day water treatment plant is scheduled for commissioning in December 2016.

The pipes that will transmit and distribute the water to Zaria, and all the eight local government areas captured in the project, are already being laid. We are working towards ensuring that the Zaria Water Project is a completed reality in 2017.

Other achievements in the infrastructure sector within the year in review are solar street lights, street naming and the reconstruction of township roads that began with Kaduna metropolis. The dualisation of roads in Rigasa, Barnawa and Ungwar Dosa were delayed to ensure that we completed the payment of compensation for affected buildings before commencing work. We are continuing with the Kawo-Lugard Hall Road expansion project which this government inherited. We renegotiated the contract price and saved N1.1bn on the cost while maintaining the scope, specifications and standards.

We also settled many outstanding inherited liabilities to contractors, in order to discharge due obligations and rescue the businesses of the concerned contractors from strangulation. We have focused on paying the smaller debts that are no higher than N10 million after negotiations to reduce levels of contract inflation. So far, we are on track to pay over N3bn in inherited liabilities before end of the 2016, by God's Grace.

Mr. Speaker, as you are aware, we organised the Kaduna Economic and Investment Summit (KADInvest) in April 2016. The summit gave us a platform to demonstrate that Kaduna is open for business, and that we have the policy environment, the laws and the people that can enable investments to thrive and create jobs for

our teeming youths. KADInvest was successful, and the state is the recipient of many investment projects arising from the substantive impression we made at the summit. Olam in Chikun Local Government and Vicampro in Kaura Local Government have since broken ground on their respective agro-allied investments. Dangote Industries is siting a tomato industry in Kubau Local Government, while many other multi-million dollar investments are at various advanced stages of discussion in agriculture, mining, solar energy, electronics and automotive assembly.

At KADInvest, we announced that we regard Agriculture and Mining as areas of comparative advantage. Investors agree, and we expect mining investments to unfold to match or surpass those already announced in Agriculture. Before the recent announcement of the huge nickel deposits in Dangoma, we had issued a tender for a gold processing centre in Birnin-Gwari. Our artisanal miners know that this government is their partner in ensuring that their contribution to mining continues even when the big mining firms arrive.

The state mining company (KMDC) participated in the recent mining conference in Australia as part of a delegation led by the Deputy Governor, His Excellency, Architect Barnabas Yusuf Bala. Kaduna is now visible on the global mining map on behalf of Nigeria as a whole.

Another significant outcome of KADInvest was the presentation of the State Development Plan, 2016-2020, a document that offers policy certainty regarding the direction and goals of the Kaduna State Government in the next few years. The State Development Plan is a roadmap that is based on our campaign promises and manifesto commitments, and its successful attainment is a cardinal goal of ours.

The 2016 Budget is also a learning experience for us. Its implementation was impacted by some challenges, including low revenues, the economic recession and procurement delays from some of

our Ministries, Departments and Agencies. As we explained during the quarterly budget report to this esteemed Assembly, the capital budget utilisation has been the highest in the state for years, but we expected to hit higher figures before the financial year closes in December. In mitigation, with the volume of tenders already issued in 2016, and better grip of the procurement process by the MDAs, capital utilisation in 2017 will be closer to expectations.

As a sub-national government with no control over monetary policy, the state budget is our key fiscal policy tool and only opportunity to insulate the state economy from further negative shocks and turn the tide towards growth and development. The budget is also our most important mechanism towards achieving the goals of the State Development Plan 2016-2020.

All these lessons and targets have been taken onboard in designing the 2017- 2019 draft estimates.

At this point, Mr. Speaker, it is pertinent to recall the condition of the state at the time we assumed responsibility for leading it. This is important for promoting understanding of the context within which we have to govern, and to underline the magnitude of the challenge.

We are doing this not for the purpose of passing the buck; we have no doubt that despite the epidemic of amnesia in certain quarters, most fair-minded people need no reminder about those who squandered historic revenue windfalls and left our schools with no furniture, presiding for 16 years over lamentable levels of infant and maternal mortality, abject infrastructure, much waste and puny IGR.

THE KADUNA STATE WE MET



At the inception of this government on 29th May 2015, there was now an opportunity to collect solid data and go beyond anecdotes in understanding the socio-economic situation of our people. While anecdotal information had been widely utilized in the past, there was no concrete evidence on the livelihoods of the population which could be used to target policies, programmes and projects to areas of greatest need. To address that, a General Household Survey was conducted across the State to provide us with a true picture of the Kaduna State we inherited, and the results are alarming.

The survey clearly shows that this government inherited a situation where more than half of our women are giving birth at home, one in two adults is unemployed, alarmingly high child mortality rates, lack of drugs and poor provision of medical services in public hospitals, neglect of the physically-challenged, poor birth and death registration, low-school enrolment and attendance, inadequate supply of potable water, and other poor economic indices which are unacceptable to any reasonable and responsible leadership.

Also, a School Census was conducted and the results are equally distressing. It shows that;

- i. There are at least 3135 schools with no source of water
- ii. There are 4077 schools with no source of electric power
- iii. The student completion rate is 24.17%, 54.94% and 70.14% for primary, junior secondary (JSS) and senior secondary (SSS) respectively.
- iv. Poor teacher/student ratio in public schools
- v. High level of unqualified teachers
- vi. High frequency of repetition among students

- vii. Unacceptably high school dropout rate
- viii. Poor school enrolment rate; and
- ix. High number of dilapidated public schools

To better understand our economy, we conducted for the first time in the history of Kaduna State a State Gross Domestic Product (GDP) survey. The survey shows that the economy of Kaduna State is about \$11.3bn (N2.2trn) compared to the National GDP which stands at N94.1trn. The State therefore contributes about 2.3% to the National GDP even though we are about 5% of the population and land area of the country.

We are therefore not pulling our weight and are not where we should be as a state. Our economy is small, with meagre diversification, resulting in high unemployment and poverty. Thus, economic transformation through the development of productive sectors such as agriculture, manufacturing and mining is critical.

It is estimated that 36% of Kaduna's GDP is accounted for by agriculture while services account for 45.5%. The Agriculture sector is a major source of raw materials for industries and thereby has the potential of boosting the industrial sector. Cash and food crops produced in the state include yam, cotton, groundnut, tobacco, soyabeans, maize, beans, guinea corn, millet, ginger, rice and cassava. Livestock reared include poultry, cattle, sheep, goats and pigs. Small scale farmers dominate agricultural production in the State.

Kaduna State has over 80 commercial and manufacturing industries. Goods that are manufactured in the state include automobiles, textiles, aluminum, diary products, toiletries and petroleum products. However, a previously booming textile industry's contribution to the overall growth of the state has declined. Textiles contribute about 2 per cent of the state GDP currently.

WHAT WE ARE DOING ABOUT IT

To achieve the vision of making Kaduna State great again, this government focuses on four major areas namely;

- i. Economic Development
- ii. Social Welfare
- iii. Security and Justice; and
- iv. Governance

To implement policies in these four broad areas, the Government has produced a five-year crowd-sourced State Development Plan, 2016 – 2020 which outlines the aspirations of the Government to restore our State to its former glory. The plan includes a strategic framework to realize our vision, resource projections to guide and prioritize expenditure and an implementation plan to deliver results and monitor progress.

Also, each sector Ministry or Agency has developed a Sector Implementation Plan (SIP) which provides a basis for linking the State Development Plan with the annual budget. Each SIP features the programmes, projects and activities earmarked for implementation during the Plan period (2017 – 2020). The SIP was used as a prerequisite for the 2017-2019 medium-term budget. The implementation plan clearly states the policy, strategies and result chain for each sector.

This logical linkage between the SDP and the Annual Budget ensures that State Government expenditures as contained in the annual budget are in line with State Government priorities as articulated in the SDP, thus enhancing the effectiveness of public expenditures. Such a seamless transition from the SDP through SIPs to the budget will ensure efficiency and effectiveness in government operations.

Mr. Speaker, Sir, With your enactment of the Public Finance (Management and Control) Law 2015, Kaduna State acted swiftly to adopt the Treasury Single Account (TSA) and a Zero-Based Budgeting framework to correct the wrongs of previous budgets as a preferable way of managing the public finances of the State. Overall, with the active cooperation of this Honourable House of Assembly, we have laid a solid legal and regulatory framework by the enactment of key legislation and establishment of agencies some of which are:

- i. Investment Promotion Agency (KADIPA) Law
- ii. Tax Codification Law establishing the Internal Revenue Service (KADIRS)
- iii. Geographic Information Service (KADGIS) Law
- iv. Pension Reform Law establishing the State Pension Board
- v. Public Finance (Management and Control) Law
- vi. Kaduna Master Plan (Enforcement) Law
- vii. Fiscal Responsibility Law establishing the Fiscal Responsibility Commission
- viii. Public Procurement Law establishing the Public procurement Authority
- ix. Facilities Management Law establishing the Facilities Management Agency (KADFAMA)

These laws that you passed and the agencies they established created an enabling environment for the private sector to thrive and complement the efforts of the State Government.

Mr. Speaker, we shall be advancing the process of creating a legislative and policy environment that eases life for our people and businesses. Therefore, we shall be approaching the House in 2017 with the following aspects of our 2017 legislative agenda:

1. Penal Code Bill to repeal the 1963 Law.
2. Mortgage and Foreclosure Bill to make it easier for residents to access

The state expects an infusion of N800bn in private investments in the next five years. Already, the State has benefitted from investments such as the \$150m poultry/hatchery/feedmill - the biggest in sub-Saharan Africa started by Olam group, the \$10 million Tomato Farming and Processing investment by the Dangote Group, and the \$120 million Potato Farming and Processing investment by Vicampro, and other multi-billion investments at various stages of negotiations.

The Government is determined to continue the allocation of resources to the identified critical areas of need that will ensure the people of the State are better-off. This is not a small task, but we believe that no amount of investment is too much for the people to enjoy a decent livelihood and that we are resolved to do.

GUIDING PRINCIPLES FOR THE 2017 BUDGET



The 2017-2019 Multi-Year Budget is hinged on the 2016 Zero-Based Budget principles and is tailored towards the actualization of our State Development Plan 2016-2020. The revenue estimates are based on \$39 benchmark for crude oil prices and expectations of vastly improved performance in Internally Generated Revenue (IGR).

The proposed budget size reflects a focus on completing our 2016 projects, expanding investments in productive infrastructure, continuing to repress overheads and providing for a rise in personnel costs due to the establishment of new agencies and to fund the public service revitalization and renewal programme. In essence, we are doing our bit to help reflate the economy and stimulate recovery in our state.

The key targets from a fiscal perspective are:

- Ensuring adequate provision for the completion in 2017 of projects and procurements initiated in 2016;
- Ensuring the actualization of the development priorities of the government as articulated in the State Development Plan (SDP) and respective Sector Implementation Plans (SIPs);
- Maintaining a favourable proportion of Capital to Recurrent expenditure (a target of 60%:40%);
- Leverage N800 billion in PPP funding between 2016 and 2020;
- Maintain a sustainable debt position in line with Federal Debt Management office (FDMO) criteria
- Expand the revenue base of the state by

exploring untapped sources

- Improve economic growth through investment in physical infrastructure
- Eliminating wastage and other unjustifiable expenditure that are not clearly linked to policy objectives; and
- Continue interventions in the social sector that will enable the less privileged have opportunities to grow through targeted investments in education and healthcare.

EXPECTED OUTCOMES IN 2017



In addition to continuing existing programmes, the capital budget for 2017 will deliver the following:

- Completion of the Zaria Water Project
- Unprecedented Rebuilding and Equipping of Schools
- A massive programme to rehabilitate, maintain or rebuild Township Roads
- Creation of a green economic zone – an Agro-Industrial Park along Abuja Road
- Provision of infrastructure in Mining Sites and Rural Areas
- Conversion of Doka Hospital on the Kaduna-Abuja Expressway into a Trauma Centre
- Expansion of the Post-harvest price support for farmers
- Anchor Borrowers Programme for six crops of comparative advantage,
- Kick-off of the Kaduna Light Rail Phase One to link Rigachikun with the Refinery, and Implementation of an Emergency Nutrition Intervention Programme to reduce malnutrition and hunger amongst our poorest citizens and children.

MULTI-YEAR BUDGET ESTIMATES 2017-2019



Attaining the goals of our five-year strategic plan requires a perspective that is broader than that of an annual budget. The multiyear budget supports this goal, and enables the government to stay focused on planned objectives. Furthermore, the multiyear focus transforms the annual budget from a mere listing of contracts into a clearly-articulated development plan for the state.

The 2017-2019 budgets are more expansionary in nature, responding to the clear need to stimulate growth and spend our way out of a most unwelcome recession. Public-PrivatePartnerships (PPP) are assigned a key role in unlocking opportunities and attracting investments into our priority sectors.

Our development partners play a most important role in providing the resources that advance our governance agenda. We have established credibility with critical partners, evidenced by the MoUs and working arrangements with the various United Nations agencies, the World Bank, the African Development Bank, the Islamic Development Bank, the Bill and Melinda Gates Foundation, the Dangote Foundation and DFID. These collaborations are providing up to USD 200m in 2017 alone to support our development programmes. The snapshot of the multi-year budget for the three years is as follows:

2017-2019 Multiyear Budget Estimates

	2017	2018	2019
Recurrent	85,572,039,923.82	82,074,998,072.23	88,086,967,175.57
Capital	130,349,070,252.86	136,541,215,860.85	126,602,353,291.94
Total	215,921,110,176.68	218,616,213,933.08	214,689,320,467.51

MONITORING THE BUDGET



We are launching a monitoring system that will allow everyone in Kaduna State to check on the progress of government projects through a simple, phone-based platform which we have named the Eyes and Ears project. With this mechanism, residents can report progress or lack of, to a dashboard in my office and the Ministry of Budget and Planning where we can take quick action to address any anomalies. We are also using this to develop a database of credible contractors and a blacklist of the bad ones.

Mr. Speaker, permit me to use this platform to invite all residents of our state to be our eyes and our ears, to be vigilant in ensuring that what is promised is delivered, that what is appropriated is executed, and that quality and timelines are respected in project delivery.

Conclusion

Mr. Speaker,

We are laying before the House of Assembly today draft 2017 estimates that are actuated by the conviction that tough times call for bold decisions and courageous actions. That is why we propose to spend at least N15bn on roads alone. To rebuild schools, we are asking for N20bn this year and for each of the other two years captured in the multiyear budget making a total of N60bn. Such is the scale of the educational crisis we inherited that we have concluded that a programme of school rehabilitation will not suffice.

What we need to do is to rebuild schools altogether to solve immediate problems and create capacity to absorb the predicted increase in the number of school pupils over the next decade.

The government is taking on debt to fund productive investments to expand our economy, grow our revenue base and build the human capital of tomorrow.

Without such investments in physical infrastructure and human resources, we will attain neither the desired standards of economic growth, nor realise the IGR levels we so badly need. We have decided that the imperatives of the future demand that we break out of the cycle of under-investment that has stymied the state over close to two decades.

As earlier stated, Kaduna State has about five per cent of the country's population, but it contributes only about 2.3% of its GDP. We cannot allow this gap between potential and reality to persist. Therefore, we have chosen to do all we can for jobs, social justice and equity.

May I conclude by asking every resident of Kaduna State to renew their commitment to peace and harmony. The task of reversing decades of underdevelopment and creating new opportunities to secure better lives for our people requires an atmosphere of concord and trust across our communities. On our part, we will be strong with law enforcement and unrelenting support for our security agencies to make every part of our state safe.

We are confident that this Honourable House will record another first by expeditiously scrutinizing these estimates and passing the Draft Kaduna State Appropriation Bill 2017 into law. On behalf of the government and grateful people of Kaduna State, I thank you for your service to our state and country.

Together, let's make Kaduna great again!

Thank you all for listening.

God bless this Honorable House,

God Bless Kaduna State.

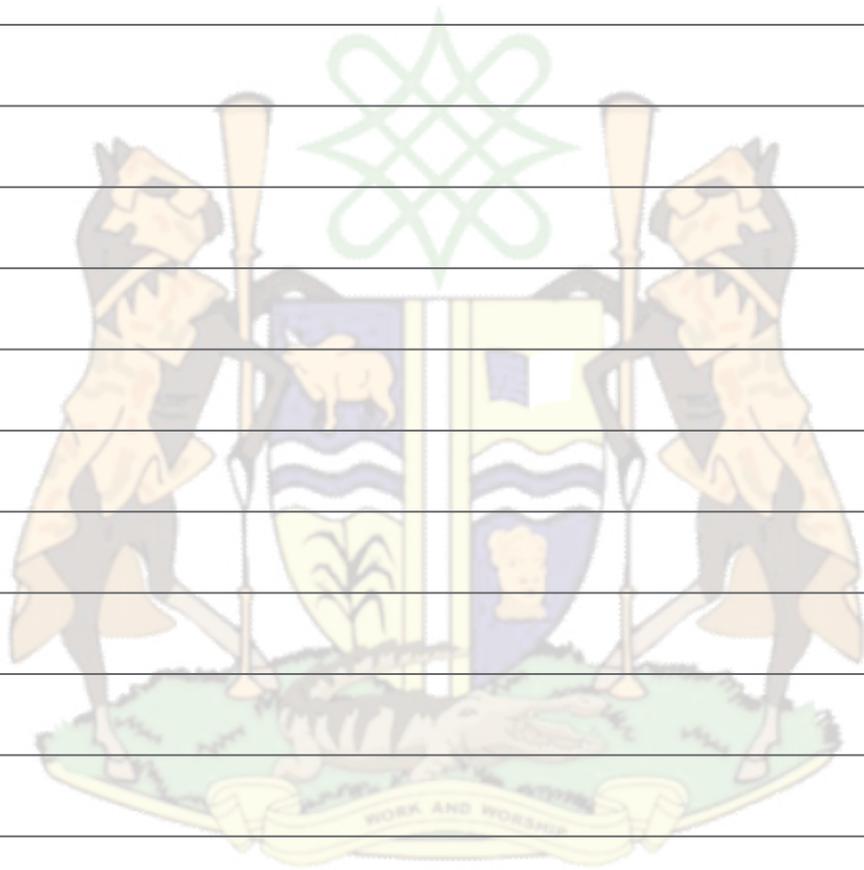
God Bless the Federal Republic of Nigeria.

Nasir Ahmad El-Rufai, OFR

Governor of Kaduna State

12th October, 2016

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