



Q4/FULL YEAR 2020 PERFORMANCE REVIEW

LAGOS STATE GOVERNMENT

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OUTLINE

Vision and Mission	3
Memo from the Commissioner	4
Purpose of the Report	5
Economic Profile	6-9
2020 Budget Overview	10-11
Function Group Allocation - 2020	12-13
Debt Servicing - 2020	14-15
2020 Budget Performance Summary	16-19
Budget Performance Highlights	20-22
Capital Expenditure Highlights	23-28
Budget Objectives Appraisal	29-36
Conclusion	37
ExCo Prayer	38
Appendix	39-65



VISION & MISSION

3

VISION



**AFRICA'S MODEL MEGACITY, A
GLOBAL ECONOMIC AND FINANCIAL
HUB THAT IS SAFE, SECURE,
FUNCTIONAL AND PRODUCTIVE**

MISSION

**ERADICATE POVERTY AND
PROMOTE ECONOMIC GROWTH
THROUGH INFRASTRUCTURE
RENEWAL AND DEVELOPMENT**





MEMO FROM THE COMMISSIONER

4



MR. SAMUEL EGUBE

**HONOURABLE COMMISSIONER,
MINISTRY OF ECONOMIC PLANNING AND BUDGET**

This Budget Performance Report for the fourth quarter, 2020 provides information on activities and performance of the budget which we trust all stakeholders will find useful.

The report provides financial information and offers some insights into the contexts and experiences that have aided the achievement of goals or presented challenges to realising desired outcomes.

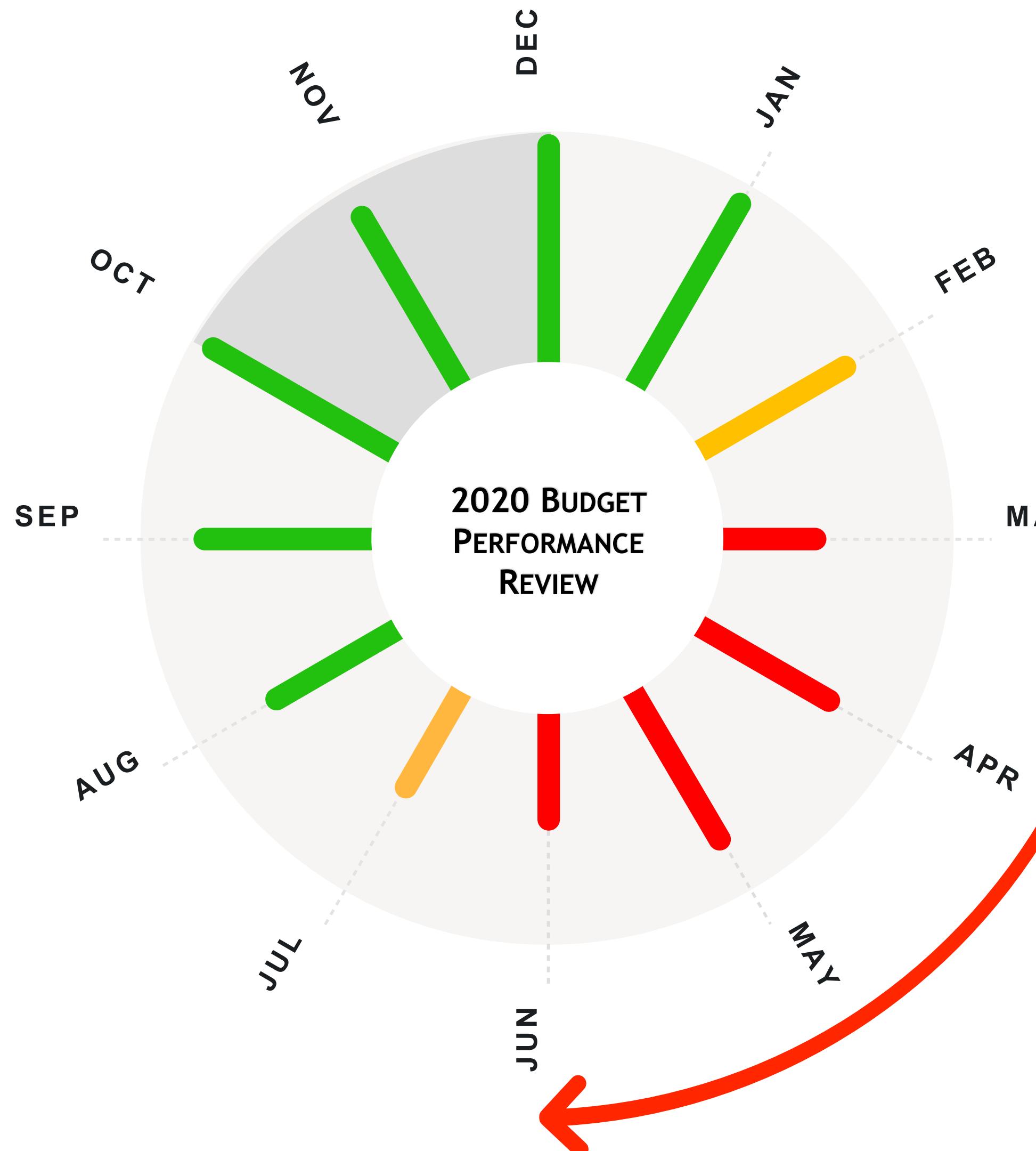
Importantly, the Ministry of Economic Planning and Budget (MEPB) has been working hard to lay the foundations necessary to ensure improvements in our approach and activities. This will ensure optimal performance of the Ministry's oversight function, and the implementation of sound recommendations informed by a variety of factors including lessons learnt from our engagements and the broader external context.

The Ministry is committed to providing information to all our stakeholders in a manner that empowers decision makers, increases confidence and promotes active engagement of readers and the larger community.



PURPOSE OF THE REPORT

5

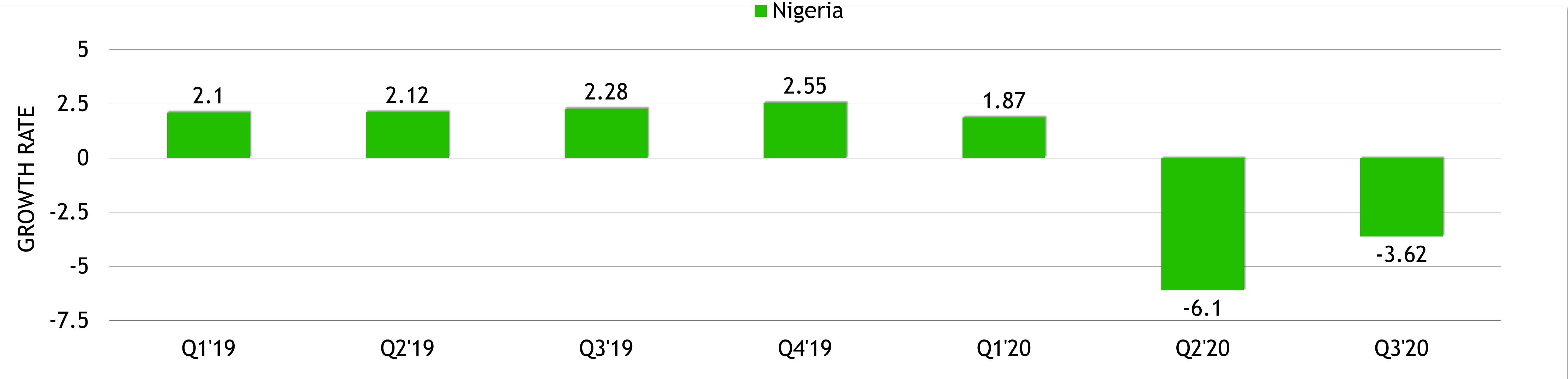






ECONOMIC DATA – GDP GROWTH RATE

7



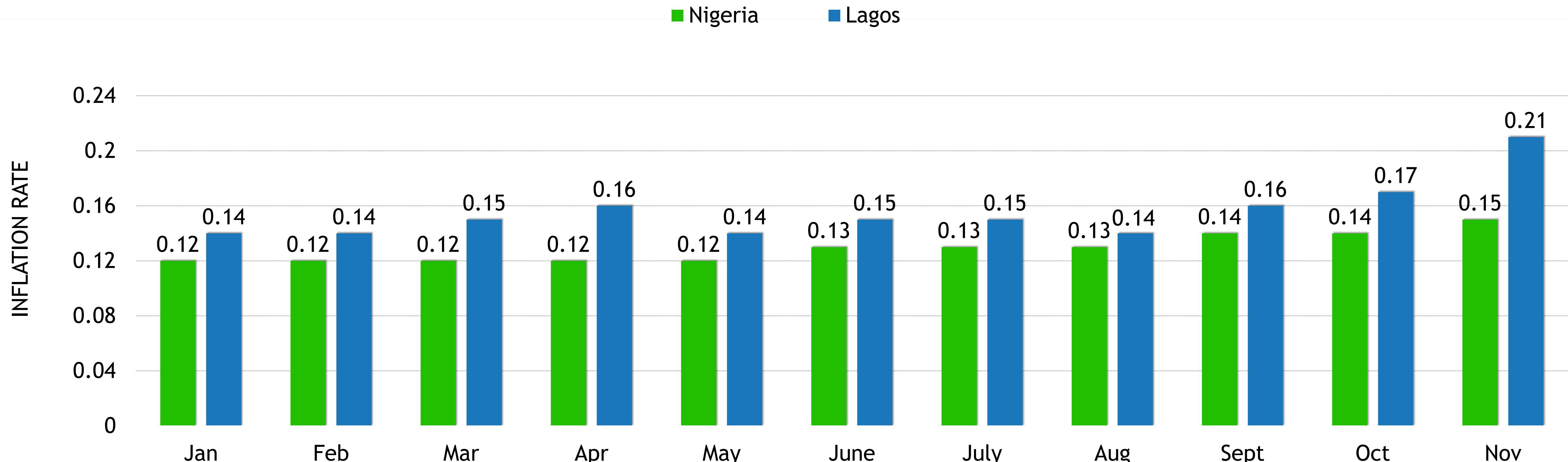
- ▶ The Nigerian economy contracted by 6.1% in the second quarter of the year due to subdued oil prices and lower levels of global economic activity resulting from nationwide shutdown aimed at containing the COVID-19 pandemic triggering the country's second recession in five years and the worst economic decline in almost four decades according to the World Bank .
- ▶ The economy is seen emerging back to growth in 2021 as demand at home and abroad recover. However, the outlook remains fragile, clouded by uncertainty regarding the oil price trajectory, rising inflation, elevated unemployment, security challenges and the second wave of the COVID pandemic. The effect will further depress the revenue and in turn Federal Transfers, however Lagos State has always been conservative on its expectations from the Federal Government which has always reflected on the Budget and in our drive to improve our IGR.
- ▶ Nigeria's extreme poverty rate is expected to rise, with the number of poor likely to increase by 15 to 20 million by 2022. The human and economic costs would be amplified if the global economic recovery is less robust or takes longer than hoped and if Nigeria fails to take the needed policy and fiscal measures to free up the space of a rapid private sector-led recovery.
- ▶ Positive steps to be taken by Lagos will help moderate any socio-economic impact on the State,

SOURCE: NATIONAL BUREAU OF STATISTICS | WORLD BANK – NIGERIA DEVELOPMENT UPDATE (NDU)



ECONOMIC DATA – INFLATION COMPARISON

8



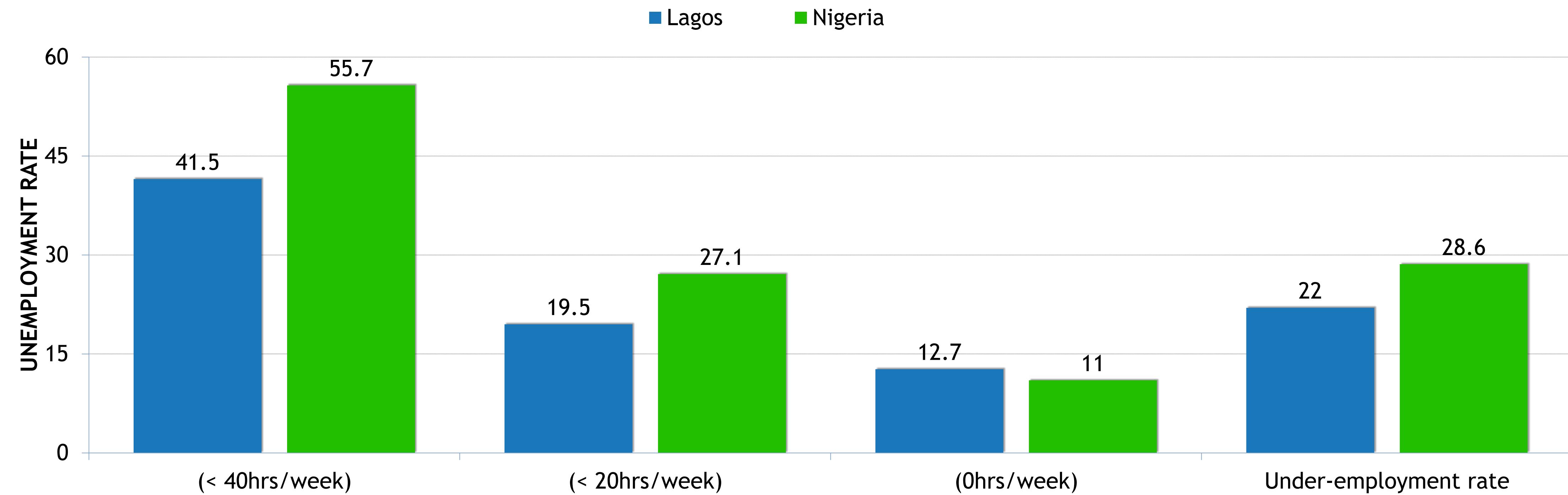
- In Lagos, this surge in inflation is apparently due to the recent increase in the price of Premium Motor Spirit (Petrol) coupled with the economic effects of the existing measures to mitigate the spread of COVID-19.
- Lagos State experienced its lowest inflation rate of 2020 in August. However, the inflation rate was at its highest in November 2020. This is mainly attributable to the increase in the price of Premium Motor Spirit and the high consumption pattern on household goods that are import dependent.

SOURCE: LAGOS BUREAU OF STATISTICS



ECONOMIC DATA – UNEMPLOYMENT (ANNUAL DATA -> SEPTEMBER 2020)

9



- ▶ Nigeria's unemployment rate increased by 4% (from 23.1% to 27.1%) in Q2 2020 due to the reduction in economic activities resulting from the outbreak of the global pandemic.
- ▶ The COVID-19 crisis has contributed to the current high unemployment rate in Lagos and Nigeria. As the post-COVID-19 future looks to present a potential change in the structure of the economy, support should be channeled to sectors that can create decent and productive employment for the available workforce. The creation of Capital projects coupled with the drive to improve the Ease Of Doing Business (EoDB) in Lagos and Nigeria will attract more Foreign Direct Investments and create more job opportunities.

SOURCE: LAGOS BUREAU OF STATISTICS | VNR 2020 NIGERIA REPORT | META-FRUX ANALYSIS





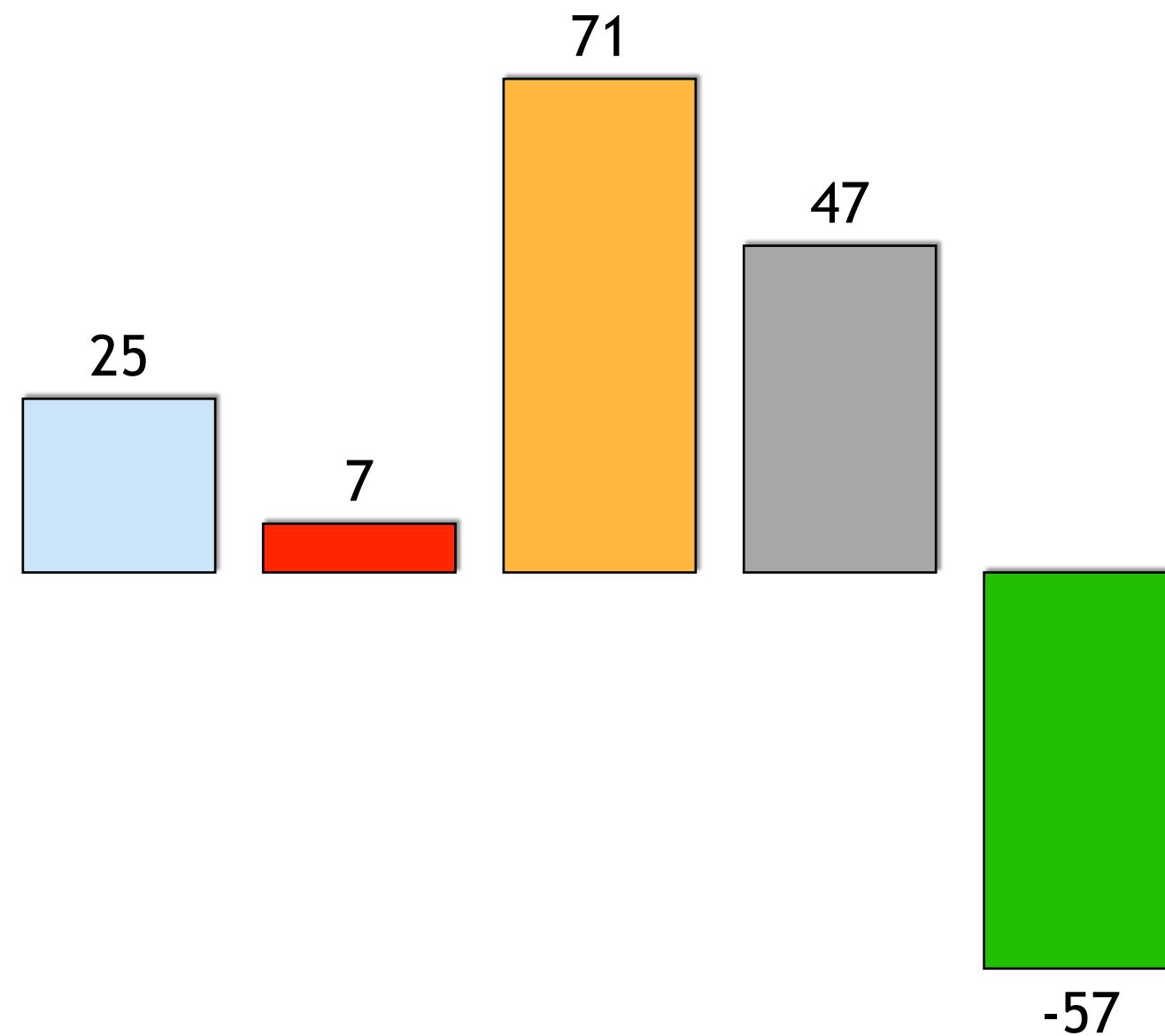
2020 BUDGET OVERVIEW

11

DETAILS	2019 BUDGET (₦'BN)	2020 BUDGET (₦'BN)	BUDGET VARIANCE (₦'BN)
Total Revenue	650.532	812.465	161.933
Total Recurrent Expenditure (Debt & Non-Debt)	387.051	413.407	26.356
▶ Recurrent (debt)	31.213	13.671	(17.542)
▶ Recurrent (non-debt)	355.838	399.735	43.897
▶ Personnel cost	153.556	166.144	12.588
▶ Overhead cost	202.282	233.591	31.309
Recurrent Surplus	233.481	399.058	165.577
Total Capital Expenditure	345.304	507.062	161.758
Financing - (Deficit) / Surplus	(253.000)	(108.004)	144.996
▶ External Loans	3.000	34.533	31.533
i. World Bank - DPO	-	-	-
ii. Others	3.000	34.533	31.533
▶ Internal Loans	150.000	73.471	(76.529)
Bond issuance	100.000	-	(100.000)
BUDGET SIZE	873.532	920.469	46.937

- ▶ The 2020 Budget was revised and signed into law on July 15th, 2020 in response to the impact of the COVID-19 pandemic on the affairs of the State.

BUDGET VARIANCE (%)



- Total Revenue
- Total Recurrent Expenditure
- Recurrent Surplus
- Capital Expenditure
- Financing - Surplus

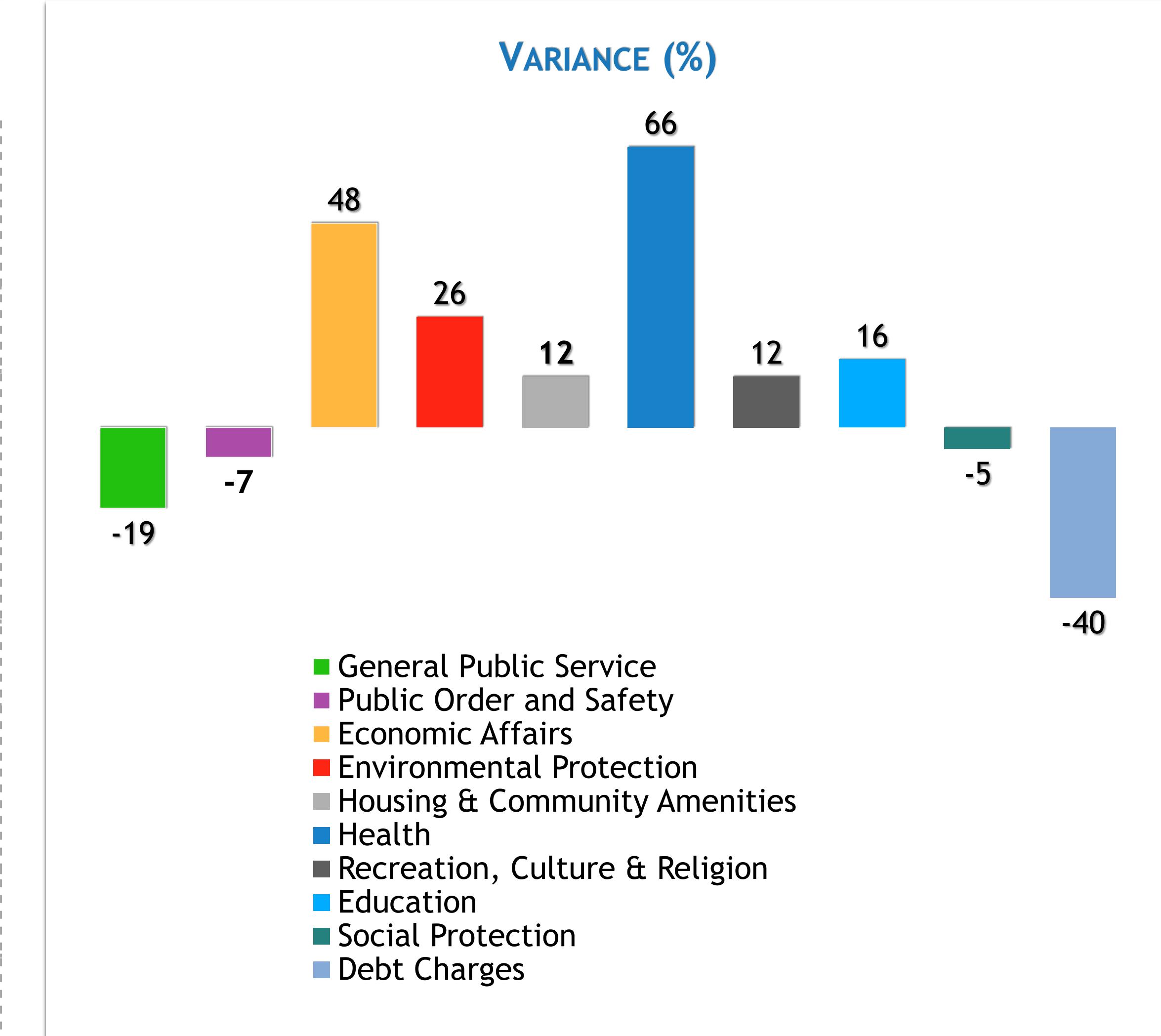




FUNCTION GROUP ALLOCATION - 2020

13

BUDGET SIZE	2019 BUDGET (₦'BN)	2020 BUDGET (₦'BN)	BUDGET VARIANCE (₦'BN)
General Public Service	264.100	212.962	(51.138)
Public Order and Safety	39.359	36.640	(2.719)
Economic Affairs	168.750	249.276	80.526
Environmental Protection	46.740	59.003	12.263
Housing & Community Amenities	27.662	31.007	3.345
Health	70.919	117.685	46.766
Recreation & Religion	5.232	5.865	0.633
Education	99.964	115.691	15.727
Social Protection	5.630	5.355	(0.275)
Debt Charges	145.177	86.985	(58.192)
BUDGET SIZE	873.533	920.469	46.936

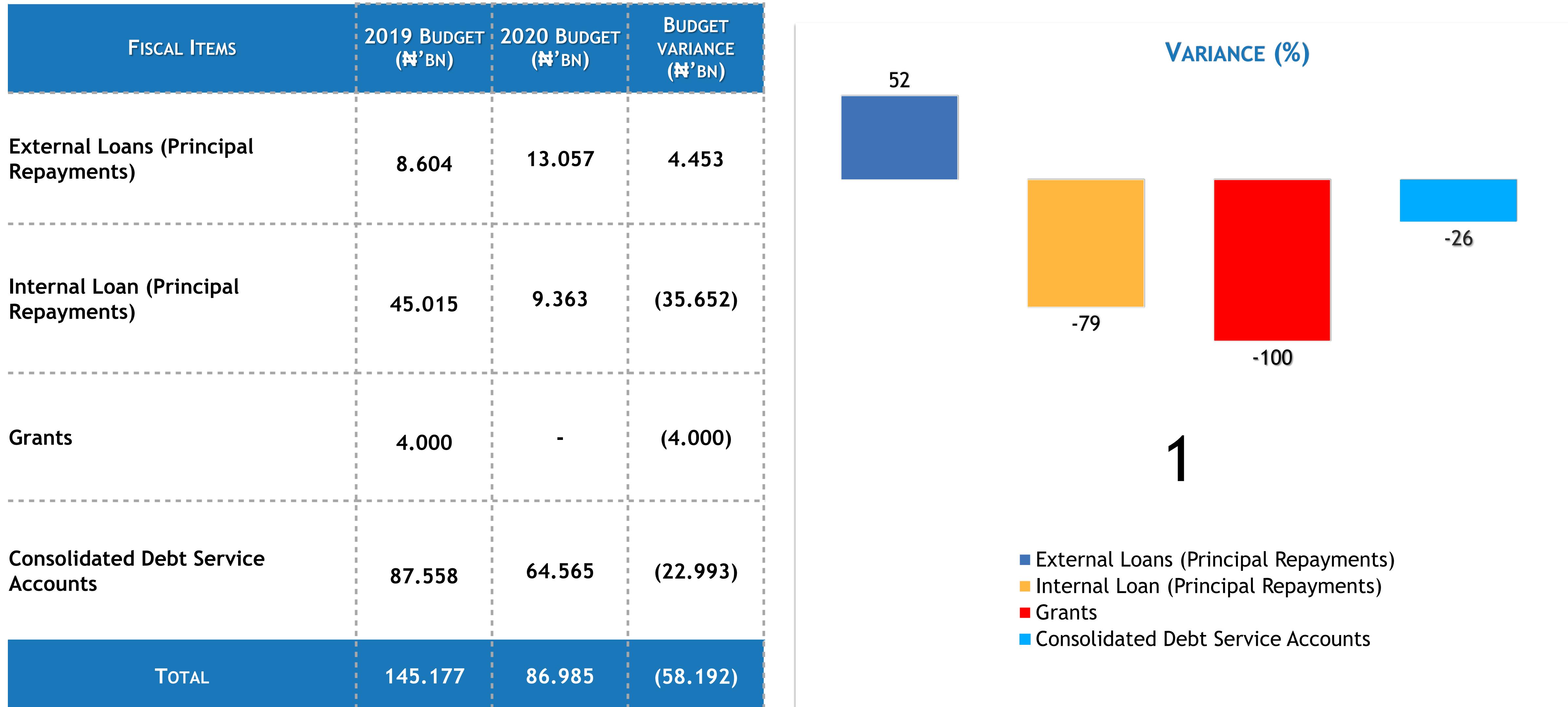






DEBT SERVICING BREAKDOWN - 2020

15







BUDGET PERFORMANCE SUMMARY (REVENUE)

17

FISCAL ITEMS	2020 BUDGET (₦'MN)	Q1 - Q3				Q4				YTD		
		BUDGET JAN - SEPT (₦'MN)	ACTUAL JAN - SEPT (₦'MN)	PERF. (%)	BUDGET OCT - DEC (₦'MN)	ACTUAL OCT - DEC (₦'MN)	PERF. (%)	BUDGET JAN - DEC (₦'MN)	ACTUAL JAN - DEC (₦'MN)	PERF. (%)		
A. TOTAL REVENUE (B + E)	812,465	609,349	596,089	98	203,116	164,781	81	812,465	760,871	94		
B. TOTAL IGR(C +D)	682,975	512,231	462,427	90	170,744	115,125	67	682,975	577,552	85		
C. INTERNALLY GENERATED REVENUE	461,736	346,302	310,969	90	115,434	107,128	93	461,736	418,097	91		
i. Lagos Internal Revenue Services	350,000	262,500	264,033	101	87,500	79,634	91	350,000	343,667	98		
ii. Internally Generated Revenue (Others)	79,681	59,761	33,896	57	19,920	22,515	113	79,681	56,411	71		
iii. Dedicated Revenue	29,955	22,466	12,831	57	7,489	4,946	66	29,955	17,776	59		
iv. Investment Income	2,100	1,575	209	13	525	33	6	2,100	242	12		
v. Extra Ordinary Revenue	-	-	-	-	-	-	-	-	-	-		
D. CAPITAL RECEIPTS	221,239	165,929	151,458	91	55,310	7,997	14	221,239	159,455	72		
i. Grants	34,021	25,516	16,569	65	8,505	5,500	65	34,021	22,069	65		
ii. Balance from Loan Proceed	75,000	56,250	30,000	53	18,750	0	0	75,000	30,000	40		
iii. Balance from Bond Issuance	100,000	75,000	97,700	130	25,000	0	0	100,000	97,700	98		
iv. Other Capital Receipts	12,218	9,164	7,190	78	3,055	2,497	82	12,218	9,686	79		
E. Federal Transfers	129,490	97,118	133,663	138	32,373	49,657	153	129,490	183,319	142		
i. Statutory Allocation	44,215	33,161	39,507	119	11,054	11,527	104	44,215	51,035	115		
ii. Value Added Tax	78,204	58,653	93,841	160	19,551	38,129	195	78,204	131,970	169		
iii. Extra Ordinary Income	7,000	5,250	0	0	1,750	0	0	7,000	0	0		
iv. 13% Derivation	70	53	314	599	18	0	0	70	314	449		



BUDGET PERFORMANCE SUMMARY (RECURRENT - DEBT & NON DEBT)

18

FISCAL ITEMS	2020 BUDGET (₦'MN)	Q1 - Q3			Q4			YTD		
		BUDGET JAN - SEPT (₦'MN)	ACTUAL JAN - SEPT (₦'MN)	PERF. (%)	BUDGET OCT - DEC (₦'MN)	ACTUAL OCT - DEC (₦'MN)	PERF. (%)	BUDGET JAN - DEC (₦'MN)	ACTUAL JAN - DEC (₦'MN)	PERF. (%)
F. RECURRENT EXPENDITURE (DEBT & NON DEBT)	413,407	310,055	258,344	83	103,352	95,702	93	413,406	354,045	86
G. RECURRENT DEBT	13,671	10,253	13,013	127	3,418	2,122	62	13,671	15,134	111
i. Debt Charges (External)	6,119	4,589	4,109	90	1,530	1,407	92	6,119	5,515	90
ii. Debt Charges (Internal)	5,052	3,789	8,904	235	1,263	0	0	5,052	8,904	176
iii. Bond Charges	2,500	1,875	0	0	625	715	114	2,500	715	29
H. RECURRENT NON DEBT	399,735	299,801	245,331	82	99,934	93,580	94	399,735	338,911	85
I. Total Personnel Costs	166,144	124,608	116,111	93	41,536	39,832	96	166,144	155,943	94
J. Total Overhead Costs	233,591	175,193	129,220	74	58,398	53,748	92	233,591	182,968	78
i. Overhead Costs	122,993	92,245	91,964	100	30,748	39,981	130	122,993	131,945	107
ii. Dedicated Expenditure	29,955	22,466	12,831	57	7,489	3,447	46	29,955	16,278	54
iii. Subvention	80,642	60,482	24,425	40	20,161	10,320	51	80,642	34,745	43



BUDGET PERFORMANCE SUMMARY (CAPEX AND FINANCING)

19

FISCAL ITEMS	2020 BUDGET (₦'MN)	Q1 - Q3			Q4			YTD		
		BUDGET JAN - SEPT (₦'MN)	ACTUAL JAN - SEPT (₦'MN)	PERF. (%)	BUDGET OCT - DEC (₦'MN)	ACTUAL OCT - DEC (₦'MN)	PERF. (%)	BUDGET JAN - DEC (₦'MN)	ACTUAL JAN - DEC (₦'MN)	PERF. (%)
K. SURPLUS/(DEFICIT) ON CRF	399,058	299,294	337,746	113	99,765	69,079	69	399,058	406,825	102
L. TOTAL CAPITAL EXPENDITURE	507,062	380,297	270,449	71	126,766	181,341	143	507,062	451,790	89
M. CAPITAL EXPENDITURE	420,076	315,057	191,786	61	105,019	125,247	119	420,076	317,032	75
i. Core Capital Expenditure	356,802	267,602	159,371	60	89,201	109,968	123	356,802	269,339	75
ii. Capital Development (Dedicated)	12,218	9,164	7,189	78	3,055	2,372	78	12,218	9,561	78
iii. Grants	34,021	25,516	19,587	77	8,505	130	2	34,021	19,717	58
iv. Counterpart Fund	6,338	4,754	0	0	1,585	0	0	6,338	0	0
v. Special Expenditure	5,051	3,788	5,051	133	1,263	0	0	5,051	5,051	100
vi. Special Expenditure (Others)	1,000	750	249	33	250	0	0	1,000	249	25
vii. Risk Retention Fund	63	47	0	0	16	0	0	63	0	0
viii. Staff Housing Fund	100	75	0	0	25	0	0	100	0	0
ix. Contingency Reserve	4,484	3,363	338	10	1,121	12,776	1140	4,484	13,114	292
N. REPAYMENTS	86,985	65,239	78,663	121	21,746	56,094	258	86,985	134,757	155
i. External Loans (Principal Repayments)	13,057	9,793	9,528	97	3,264	2,438	75	13,057	11,965	92
ii. Internal Loan (Principal Repayments)	9,363	7,022	10,099	144	2,341	30,790	1315	9,363	40,889	437
iii. Bond Issuance Repayment	-	-	0	0	-	0	-	-	0	0
iv. Consolidated Service Account	64,565	48,424	59,037	122	16,141	22,866	142	64,565	81,903	127
O. TOTAL EXPENDITURE BUDGET SIZE	920,469	690,352	528,792	77	230,117	277,043	120	920,469	805,835	88
P. FINANCING SURPLUS /(DEFICIT)	(108,004)	(81,003)	67,297	(83)	(27,001)	(112,261)	416	(108,004)	(44,964)	42
Q. DEFICIT FUNDING SOURCES	108,004	81,003	0	0	27,001	44,964	167	108,004	44,964	42
a. External Loans	34,532	25,900	0	0	8,633	0	0	34,532	0	0
b. Internal Loans	73,471	55,103	0	0	18,368	44,964	245	73,471	44,964	61

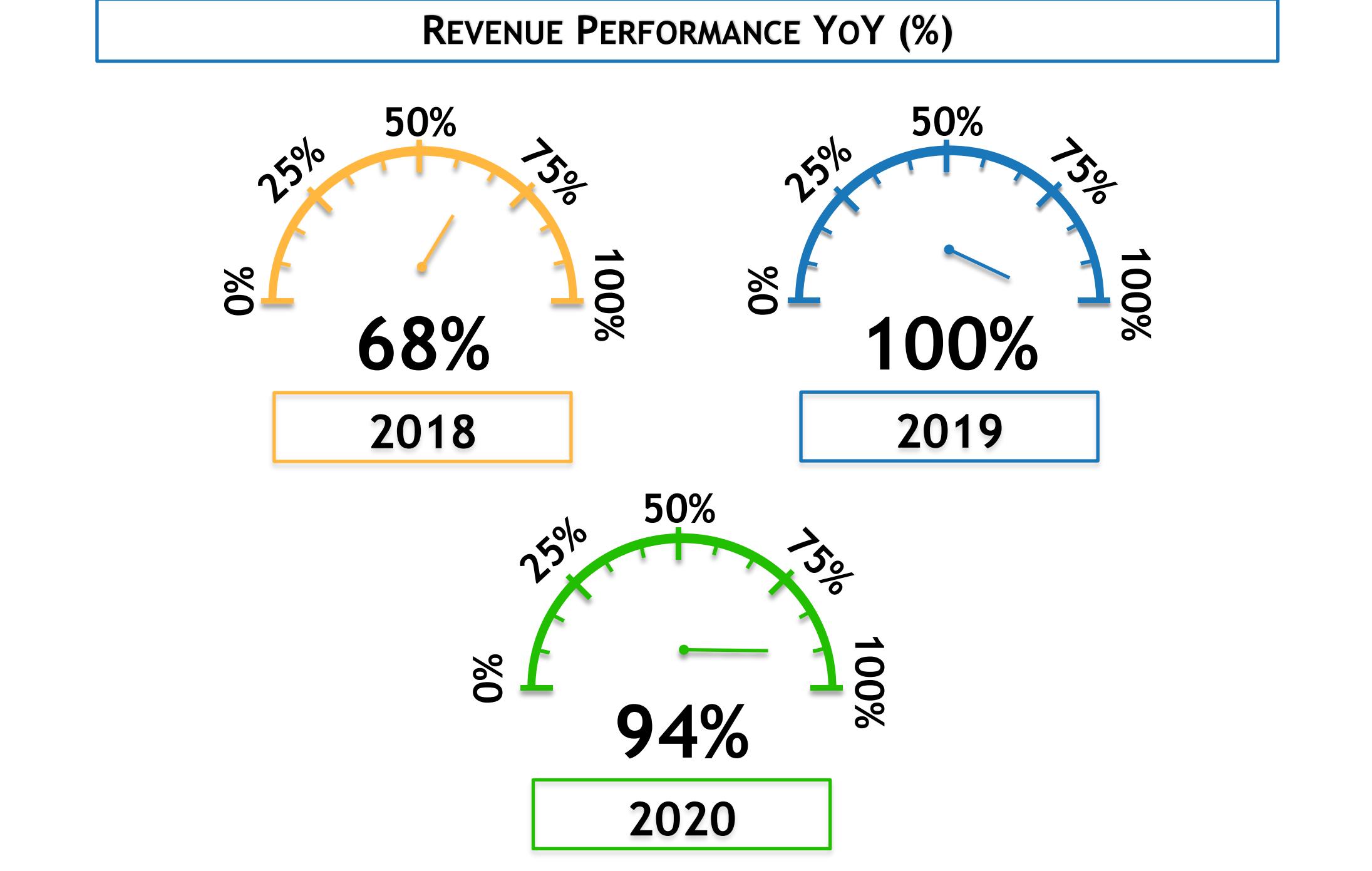




REVENUE PERFORMANCE HIGHLIGHTS – COMPARATIVE (Q1 - Q4) YEAR ON YEAR

21

YEAR	BUDGET (₦'BN)	ACTUAL (₦'BN)
2018	897.423	612.923
2019	620.532	623.413
2020	812.465	760.871



- ▶ The Total Revenue as at the end of Y2020 performed at 94%.
- ▶ It is the highest in absolute terms compared to 2018 and 2019. Note that the revenue consists of a balance of ₦127.700Bn from loan and bond issuance; However, without the balance from loan and bond Issuance, the Total Revenue Performance recorded ₦633.171Bn, which is also higher in absolute terms compared to the same period in 2018 and 2019.



CUMULATIVE (Q1-Q4) REVENUE & EXPENDITURE PERFORMANCE

22

MDAs	CUMULATIVE TOTAL REVENUE	CUMULATIVE ACTUAL REVENUE	% PERF	% PERF @ AUG	Y2020 CAPEX	CUMULATIVE ACTUAL	%PERF	% PERF @ AUG
Youth & Social Development(including Sports)	105,000,000.00	60,193,000.00	57	56	1,191,796,733.00	427,942,736.00	36	50
PMO** (OHC)	-	-			101,262,127.00	100,146,659.00	99	95
Establishment and Training (including CSC& PSO)	6,000,000.00	6,803,000.00	113	78	477,755,775.00	392,392,620.00	82	73
Housing Family	7,921,722,828.00	3,561,468,975.00	45	49	5,660,797,304.00	4,951,177,031.00	87	70
Transportation Family	17,337,208,127.79	15,193,603,686.94	88	62	38,129,289,455.00	32,085,580,457.00	84	67
Environment Family	7,998,945,441.00	3,496,047,059.00	44	45	35,046,646,839.00	29,428,708,431.00	84	66
Works and Infrastructure family	2,014,000,000.00	931,855,219.00	46	56	114,138,284,911.00	89,647,278,455.00	79	62
Energy family	188,220,124.00	196,790,306.00	105	34	8,804,667,724.00	6,463,816,962.00	73	60
Science & Tech.	1,503,500,000.00	6,176,032.00	0	0	6,065,005,118.00	3,260,144,890.00	54	54
Governance	2,141,992,500.00	78,940,280.00	4	5	858,828,559.00	803,803,090.00	94	50
Finance family (includes Investment incom, STO, DMO and Lotteries Board)	15,504,089,213.00	11,594,271,176.00	75	109	2,761,168,982.00	2,509,377,009.00	91	43
Agriculture	385,000,000.00	231,117,114.00	60	48	12,844,228,141.00	7,684,671,610.00	60	41
CBD	4,200,000.00	6,944,000.00	165	217	209,766,739.00	134,359,020.00	64	33
Education family	7,134,406,020.00	3,333,520,340.00	47	49	30,616,097,432.00	17,004,270,282.00	56	30
LIRS	350,000,000,000.00	355,044,091,126.00	101	101	1,000,000,000.00	950,000,750.00	95	95



CUMULATIVE (Q1-Q4) REVENUE & EXPENDITURE PERFORMANCE

23

MDAs	CUMULATIVE TOTAL REVENUE	CUMULATIVE ACTUAL REVENUE	% PERF	% PERF @ AUG	Y2020 CAPEX	CUMULATIVE ACTUAL	%PERF	% PERF @ AUG
Waterfront Infrastructure	1,116,168,593.00	678,650,855.00	61	32	8,072,147,442.00	6,859,381,321.00	85	26
Special Duties family	186,715,000.00	158,464,645.00	85	95	6,022,797,935.00	2,112,156,400.00	35	26
Lands family (Includes Valuation & SGeneral Offices and NTDA)	22,262,100,000.00	21,535,558,824.00	97	85	7,740,983,777.00	2,709,402,235.00	35	19
Women Affairs and Poverty Alleviation	15,071,000.00	11,351,595.00	75	68	853,443,155.00	580,387,992.00	68	19
Information & Strategy family (Including its Parastatals)	1,590,468,806.00	1,453,008,283.00	91	49	681,249,888.00	377,910,547.00	55	15
Tourism	281,500,000.00	59,499,300.00	21	21	4,403,071,128.00	2,289,190,996.00	52	14
Local Government	78,858,500.00	65,642,450.00	83	58	3,031,038,847.00	1,966,108,979.00	65	13
Health family (including Hospital Units)	12,051,270,000.00	7,774,626,010.00	65	55	25,508,939,615.00	12,496,539,136.00	49	12
Justice	880,600,000.00	1,037,726,527.00	118	102	2,394,218,380.00	991,736,297.00	41	12
Physical Planning & Urban Development	18,942,819,559.00	9,678,782,067.00	51	44	8,432,384,736.00	4,818,540,553.00	57	8
SDGI (OHC)	0	0			115,070,601.00	31,409,500.00	27	5
Home Affairs & Culture	64,600,200.00	66,810,000.00	103	116	1,136,926,145.00	143,911,287.00	13	3
Commerce	91,000,000.00	68,047,142.00	75	96	2,196,827,199.00	922,677,287.00	42	3
Wealth Creation	4,900,000.00	5,977,000.00	122	72	6,485,637,112.00	5,766,056,688.00	89	0





CAPITAL EXPENDITURE – COMPARATIVE (Q1 - Q4) YEAR ON YEAR

25

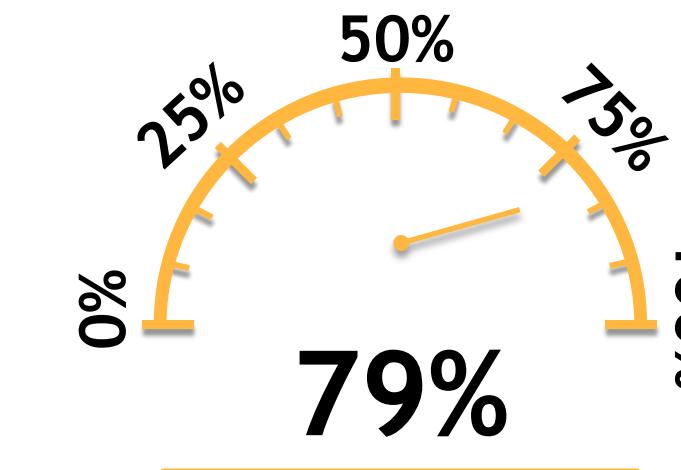
YEAR	BUDGET (₦'BN)	ACTUAL (₦'BN)
2018	699.082	366.910
2019	486.481	383.397
2020	507.062	451.790

CAPEx PERFORMANCE YOY (%)



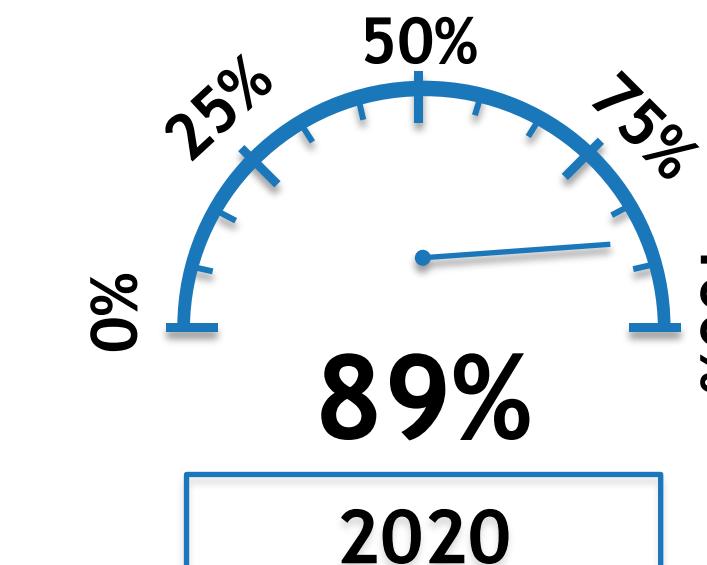
52%

2018



79%

2019



89%

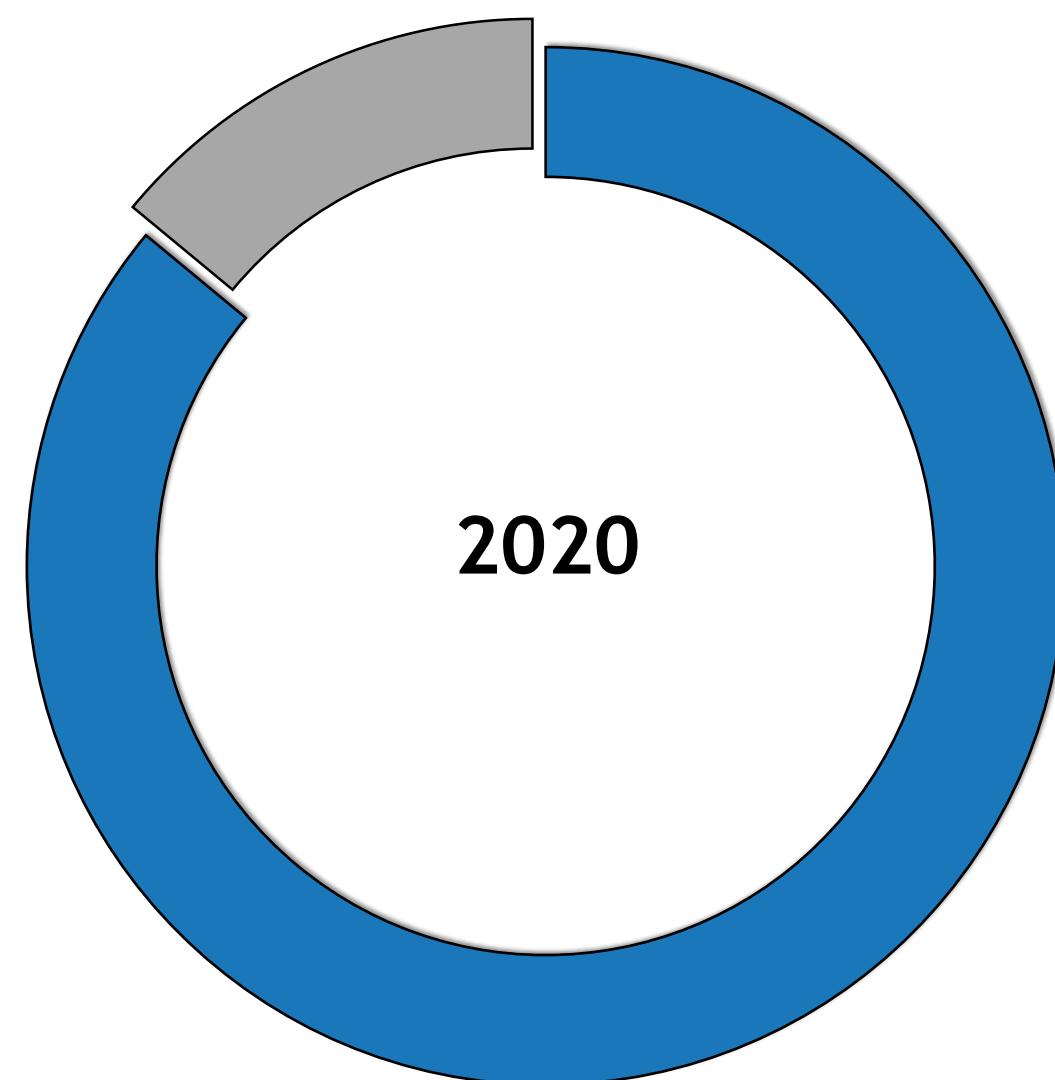
2020

- ▶ The Total Capital Expenditure performed at 89% / ₦451.790bn in 2020 (Q1-Q4).



RECURRENT EXPENDITURE – COMPARATIVE (Q4) YEAR ON YEAR

26



86%

PROVISION

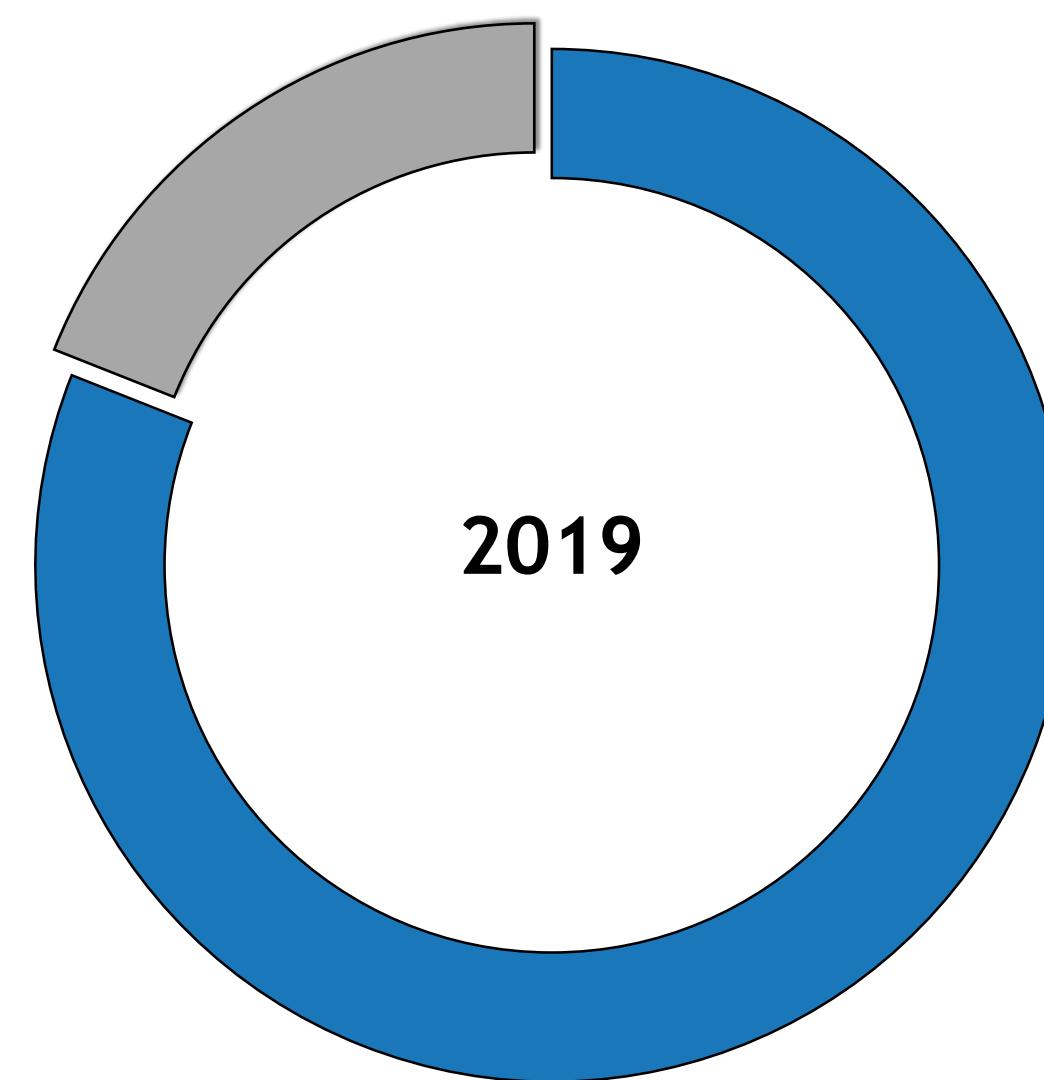


413.407 (₦'BN)

ACTUAL



354.045 (₦'BN)



84%

PROVISION

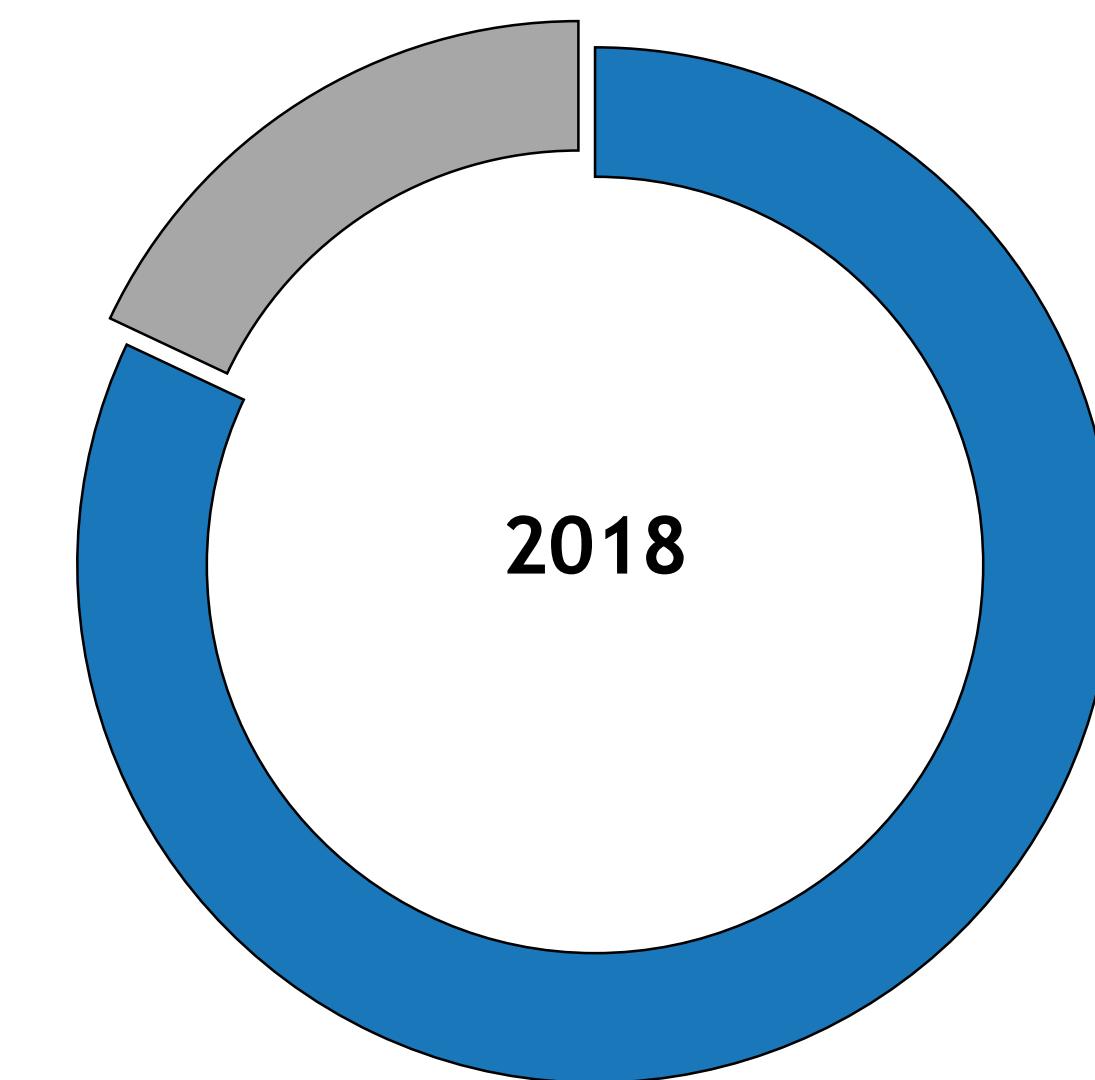


387.051 (₦'BN)

ACTUAL



323.757 (₦'BN)



84%

PROVISION



347.039 (₦'BN)

ACTUAL



290.713 (₦'BN)





2020 BUDGET OBJECTIVES

28

THE 2020 BUDGET TAGGED “THE BUDGET OF AWAKENING” WAS DRIVEN BY 8 (EIGHT) OBJECTIVES:



- BUILD IMPACTFUL PARTNERSHIPS WITH THE FEDERAL GOVERNMENT, STATES, LOCAL GOVERNMENTS, DEVELOPMENT PARTNERS AND CIVIL SOCIETY



- IMPROVE CAPACITY TO COLLECT DUE REVENUE AS EFFICIENTLY AS POSSIBLE



- ATTRACT PRIVATE SECTOR INVESTMENTS BY CREATING AN ENABLING ENVIRONMENT



- INVEST IN HUMAN CAPITAL DEVELOPMENT, I.E. EDUCATION AND HEALTHCARE



- IMPROVE CIVIC ENGAGEMENTS AND PARTICIPATION IN GOVERNANCE, LEVERAGING TECHNOLOGY



- IMPROVE THE QUALITY OF THE ENVIRONMENT AND OUR PUBLIC SPACES GENERALLY



- AGGRESSIVELY DEVELOP, UPGRADE AND MAINTAIN OUR INFRASTRUCTURE



- FACILITATE SUSTAINABLE SOCIAL INVESTMENT AND ENTERPRISE



STATUS OF BUDGET OBJECTIVES - 1/4

29

1

BUILD IMPACTFUL PARTNERSHIPS WITH THE FEDERAL GOVERNMENT, STATES, LOCAL GOVERNMENTS, DEVELOPMENT PARTNERS AND CIVIL SOCIETY

The State continues to build impactful partnerships with Federal, other States and Local Governments. The benefits derived include:

- ▶ As part of the collaboration with CBN to fund the red rail line project to the tune of N100bn (8yrs under 9% pa) and 2-year moratorium thus saving over N360bn from the partnership, approval was obtained to fund the blue line project through the support of a financial institution in the country.
- ▶ Conditional Cash Transfers: N67.7m was paid to 6771 beneficiaries during the September/October 2020 payment cycle using our social register, bringing total amount disbursed since inception to N202.2m.
- ▶ The State saved N20bn via duty waiver and port charge concession on buses.
- ▶ SFTAS has delivered US\$5m out of the US\$20m projected to be received. A notification has been given for the delivery of the another US\$12m.
- ▶ Advance payments were released to PWC, LSEB & LG/CA for the 377 ward projects and all projects have reached 60% completion and will be completed during the 1st quarter of Y2021.
- ▶ US\$1.9m was secured in Grants from Bill and Melinda Gates Foundation (BMGF) to support Lagos State's Universal Health Coverage (UHC) through Primary Health Care (PHC) Revitalization.

2

ATTRACT PRIVATE SECTOR INVESTMENTS BY CREATING AN ENABLING ENVIRONMENT

The State has continued to provide an enabling environment for private sector interests to thrive while improving the EoDB.

- ▶ Lagos continues to be Nigeria's top investment destination - Q2 investments of \$192.1m (77% of total inflow).
- ▶ On-going Land digitization is about 70% completed. When completed, it will enhance and speed up the processing time of land documents.
- ▶ The Y2018 LUC law was reviewed to accommodate the people's desires, other initiatives in the housing sector include the E-GIS, E-Tax and the establishment of LASRERA. This will improve service delivery in the real estate sector
- ▶ Work has advanced on the 8,272 bed spaces LASU Hostel project under construction by private sector developers. It is a BOT arrangement. Of the six(6) developers on-site, two(2) have been terminated (about to be re-allocated) based on their poor performance while the remaining four (4) are advancing the project.
- ▶ Upgrading infrastructure and technology in the State is at an advanced stage.
- ▶ One-stop shop for investors is yet to commence.



STATUS OF BUDGET OBJECTIVES - 2/4

30

3

IMPROVE CIVIC ENGAGEMENTS AND PARTICIPATION IN GOVERNANCE, LEVERAGING TECHNOLOGY

The State has engaged the people and business entities intermittently; we remain short on a formal structure/platforms to harness and track active two-way citizens engagement:

- ▶ The Office of Civic Engagement is still working on establishing a formal forum for engaging our people and providing the government with necessary feedback for informed decision making. The proposal on the Citizen's Gate is yet to be presented to EXCO by the office.
- ▶ Establishing a formal approach will enable us to engage our people systematically rather than an unstructured manner.
- ▶ There is a need for an update on the Citizens Gate Portal.
- ▶ We need to continue with our advocacy for citizens to register with LASRRA and introduce policies that will enforce LASSRA registration, e.g. no LASRRA, no work, no intervention, no rent, etc.

4

AGGRESSIVELY DEVELOP, UPGRADE AND MAINTAIN OUR INFRASTRUCTURE AND SYSTEMS (TRANSPORT, TECHNOLOGY, EDUCATION, HEALTH, POWER, WATER ETC.)

We continue to show commitments toward infrastructure upgrade and maintenance, with plans for iconic developments. Delays are however experienced in some cases that need to be monitored.

- ▶ Advance payment was released to execute regional roads projects; however, execution has been slow and delayed. We also flagged off the Lekki-Epe Express road project and concluded the funding of the red line rail project.
- ▶ The State responded strongly to the COVID-19 pandemic by releasing an additional N20bn to tackle the pandemic. Other key infrastructural projects were also executed (e.g. Completion, equipping and furnishing of MCC Badagry and Epe). There is an urgent need to focus on the planned rehabilitation of PHCs and secondary health centres.
- ▶ LASIAMA achieved 90% of the 97-Public facilities earmarked for rehabilitation.
- ▶ Many critical junctions/gridlocks and roundabouts have been delivered. These have helped reduce traffic congestions in areas like Allen Avenue, Abraham Adesanya, Maryland and Ikotun.
- ▶ More ferry routes were channelized to ease water transportation in the State.
- ▶ SCRPS is at 60% on New Projects and 30% on rehabilitation with the expectation of 80% and 100% completion respectively by year-end.
- ▶ PWC has achieved 164 rehabilitation of roads, 130 potholes & 3 road palliatives till date, making a total of 297 interventions for the year.
- ▶ LightUp Lagos needs to improve its activities in community delivery.



STATUS OF BUDGET OBJECTIVES - 3/4

31

IMPROVE CAPACITY TO COLLECT DUE REVENUE AS EFFICIENTLY AS POSSIBLE

5

Several viable initiatives to improve our revenue-generating capability are not yet fully mainstreamed:

- ▶ LIRS continues to hit set revenue targets (101% YTD).
- ▶ LUC has commenced the distribution of demand notices for Land Use Charge based on the revised rate. Only 18% of the total bills issued have been delivered, 60% of which have been paid.
- ▶ There remains the need to challenge other MDAs such as MLG&CA (markets), AGRIC, MOT, LASRERA, Lands, SG's office, MPP&UD, Waterfront and Finance to ensure they maximise their potential with respect to revenue generation.
- ▶ Our performance against our budget provision is good, however, according to surveys conducted, we are significantly underperforming on budget provision and performance compared to the State's potential; we need to secure revenue sources to cover our infrastructure deficit gap.
- ▶ We need a more deliberate structure to stop leakages and challenge ourselves to generate more revenue. Apart from moral suasion, we need to commission studies/actions to unlock our revenue sources.

INVEST IN HUMAN CAPITAL DEVELOPMENT (EDUCATION, HEALTHCARE AND POVERTY ERADICATION)

6

Looking at the population of the State, Agencies focused on human capital development need to scale up their activities to deliver desired outcomes:

- ▶ A lot is being done in the empowerment space, however, employment outcomes are still not tracked transparently or methodically.
- ▶ We established 2 additional Vocational Centres to partly address the largely unskilled Youth population. We need to be more aggressive in providing technical and vocational training to curb youth unemployment in the state.
- ▶ LASHMA enrolment moved from 206,686 (8.3%) in August 2020 to 207,183 (8.3%) in September 2020, recording a total of 276,116 (11%) by the end of the year, compared to the 2.5m target for Y2020. There is a need to come up with strategies to capture more enrolees in 2021.
- ▶ Vulnerable households captured has increased from 131,011 in June to 256,403 households in September 2020; cumulative to December we recorded a number of 353,861. Note that the groundwork for Rapid Response Register for COVID-19 was laid in December. The VP will launch this in the 1st quarter of 2021.
- ▶ We continue to engage in the following initiatives: Constant training of our teachers through technological means; Launching of EKO EXCEL programme; Deployment of 9,000 devices for teachers training; Training of over 100,000 students in coding; Approved E-learning infrastructure for our tertiary institutions; Additional 21 Adult Literacy Centres.



STATUS OF BUDGET OBJECTIVES - 4/4

32

7

IMPROVE THE QUALITY OF THE ENVIRONMENT, OUR PUBLIC SPACES AND SECURITY GENERALLY

The quality of the environment, public spaces and security continue to pose a challenge, given the population size, habits and enforcement capability:

- ▶ A significant amount of work has been completed in drainages state-wide.
- ▶ The global challenge of PET bottles in our waterways and drains remain. We need an alternative framework to achieve our desired outcomes, e.g. boosting recycling measures for waste conversion.
- ▶ Solid Waste Management has been effectively brought under control, but we are yet to implement or attract any waste conversion investment.
- ▶ Air quality has generally improved, but the effect of the newly launched open defecation squad is yet to be felt.
- ▶ The number of slumps continue to rise, yet no conclusive urban renewal is on the way.
- ▶ The security situation in terms of crime is stable, although enforcement for order appears weak. We need to substantially increase the number of our neighbourhood watch and invest in their training.

8

FACILITATE SUSTAINABLE SOCIAL INVESTMENT AND ENTERPRISE

We are developing a deliberate framework for attracting social investment and enterprise. A multi-ministerial effort is being deployed to achieve this. Some traction has been gained, but much room for improvement still exists:

- ▶ The transformation process for driving our engagement upwards through granting organisations and Development Partnerships has begun. GCC and GPMO have been inaugurated to coordinate the State's Grant Framework better.
- ▶ Following ExCo approval and directive on the use of LASG Social Register in all our social intervention programs, the HOS has issued a Statewide circular to this effect.
- ▶ SDGI, MWC&E, WAPA, Agriculture and OCE launched several social impact programs and coordinated several interventions.
- ▶ A lot of work is going on with the World Bank N-CARE, SOCU, Cash Transfer, etc. N202.2m conditional cash transfers achieved as at the September/October 2020 payment cycle using our social register.
- ▶ Lagos SDG received an overall score of 74% and had a high performance in 6 SDGs (>80%) in a UN verified evaluation.
- ▶ SDG participated in an Imperial College London/UrbanDNA study on 12 global cities - Lagos ranked a 'Progressive' city (Level 3) ahead of Sao Paulo and Brazil.



STATUS OF BUDGET OBJECTIVES – OBSERVATIONS AND RECOMMENDATIONS - 1/2

33

REVENUES

1. Formally interrogate our potential revenue profile, identify the specific sectors where they are, and highlight practical and actionable ways to harvest them.
2. Heighten our focus on revenue generation through TPRM by tracking (monthly) the status of all revenue Initiatives.
3. Compel more MDAs to adopt the Central Billing System (CBS) to reduce revenue leakages and discretion.

CITIZENS PARTICIPATION AND ENGAGEMENT

1. Office of Civic Engagement needs to urgently consolidate and build its formal organisation to actively attract the participation of citizens, and harness feedback from Lagosians.
2. Citizens should be encouraged through deliberate frameworks and advocacy to register with LASRRA. E.g. no LASRRA, no work, no intervention, no rent etc.

PERFORMANCE MANAGEMENT

1. Increase the use of economic and social data to measure performance.
2. Complete speedily the Lagos State Digital Dashboard project to facilitate outcome measurements.
3. Review the operating process to achieve process turnaround efficiencies.

CAPEX: INFRASTRUCTURE AND SYSTEMS UPGRADE

1. There is a need to challenge our Capex Budget Performance in 2021 as part of the effort to bridge the infrastructure gap. Renewing the performance agreement of members is advisable.
2. The proactive engagement of the procurement process is encouraged. Waiting for approvals before beginning the procurement process is not very efficient.
3. LightUp Lagos needs to commit to community delivery timelines.



STATUS OF BUDGET OBJECTIVES – OBSERVATIONS AND RECOMMENDATIONS - 2/2

34

QUALITY OF THE ENVIRONMENT AND PUBLIC SPACES

- 1. Develop and implement a specific framework for dealing with the global challenge of pet bottles in our waterways and drains.
- 2. Successfully attract investments into solid waste conversion, e.g. waste to Solid fuels, Power etc.
- 3. Reduce open defecation by bridging the gap in the provision of public toilets.

INVESTMENTS

- 1. MEPB and SDGI to drive the transformation framework for growth in the granting sector already approved by Mr Governor.
- 2. SDGI to conclude on the one-stop shop for Investors.
- 3. SDGI to give progress updates monthly at ExCo on the EODB initiatives given that this is at the heart of our investment reform strategy.

URBAN REGENERATION

- 1. Recruit additional capacity focused exclusively on urban regeneration in Lagos State.
- 2. Develop specific well-researched action plan around specific major slums and difficult urban regeneration challenges.
- 3. Attract investments in the city regeneration projects.
- 4. Flag off one major regeneration project in line with the slum regeneration master plan.

HUMAN CAPITAL DEVELOPMENT

- 1. We need a robust and active plan to drive our technical education to address our job creation requirements.
- 2. Speed up health infrastructure and equipment intervention.
- 3. LASHMA to give updates on the effectiveness of Initiatives targeting enlisting 2.5m people in the health insurance scheme.
- 4. MWC&E should create state-wide mechanisms to track employment achieved through LASG budgetary spend.



CONCLUSION

35

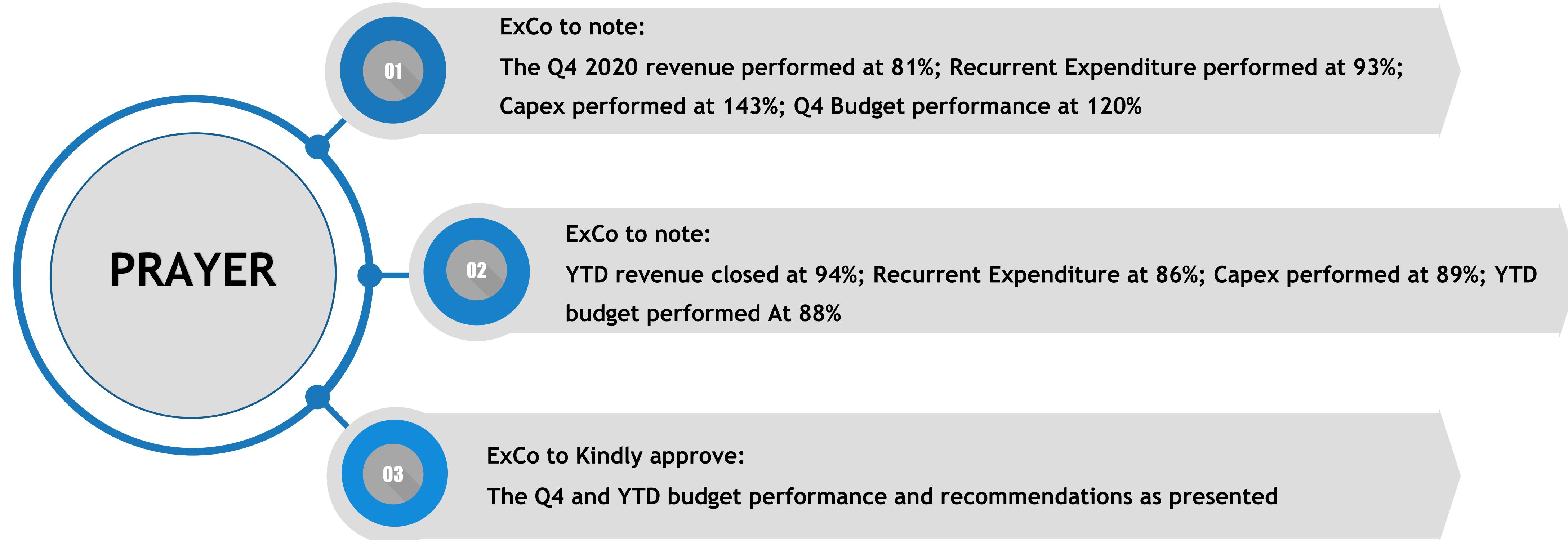
YEAR TO DATE (YTD) BUDGET PERFORMANCE STANDS AT 88%. WE WERE ABLE TO SURPASS THE LASG 2020 BUDGET PERFORMANCE TARGET OF 85% AT THE END OF THE YEAR.

01

- The Q4 2020 Revenue recorded a performance of 81%
- Q4 Recurrent Ex. recorded a performance of 93%
- Q4 Capex recorded a performance of 143%
- **Q4 Budget performed at 120%**

02

- YTD 2020 Revenue recorded a performance of 94%
- YTD Recurrent Expenditure recorded a performance of 86%
- YTD Capex recorded a performance of 89%
- **YTD Budget performed at 88%**





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