



LAGOS STATE GOVERNMENT

MINISTRY OF ECONOMIC PLANNING AND BUDGET

Q2 2020 BUDGET PERFORMANCE REVIEW

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LAGOS STATE - VISION & MISSION



VISION

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



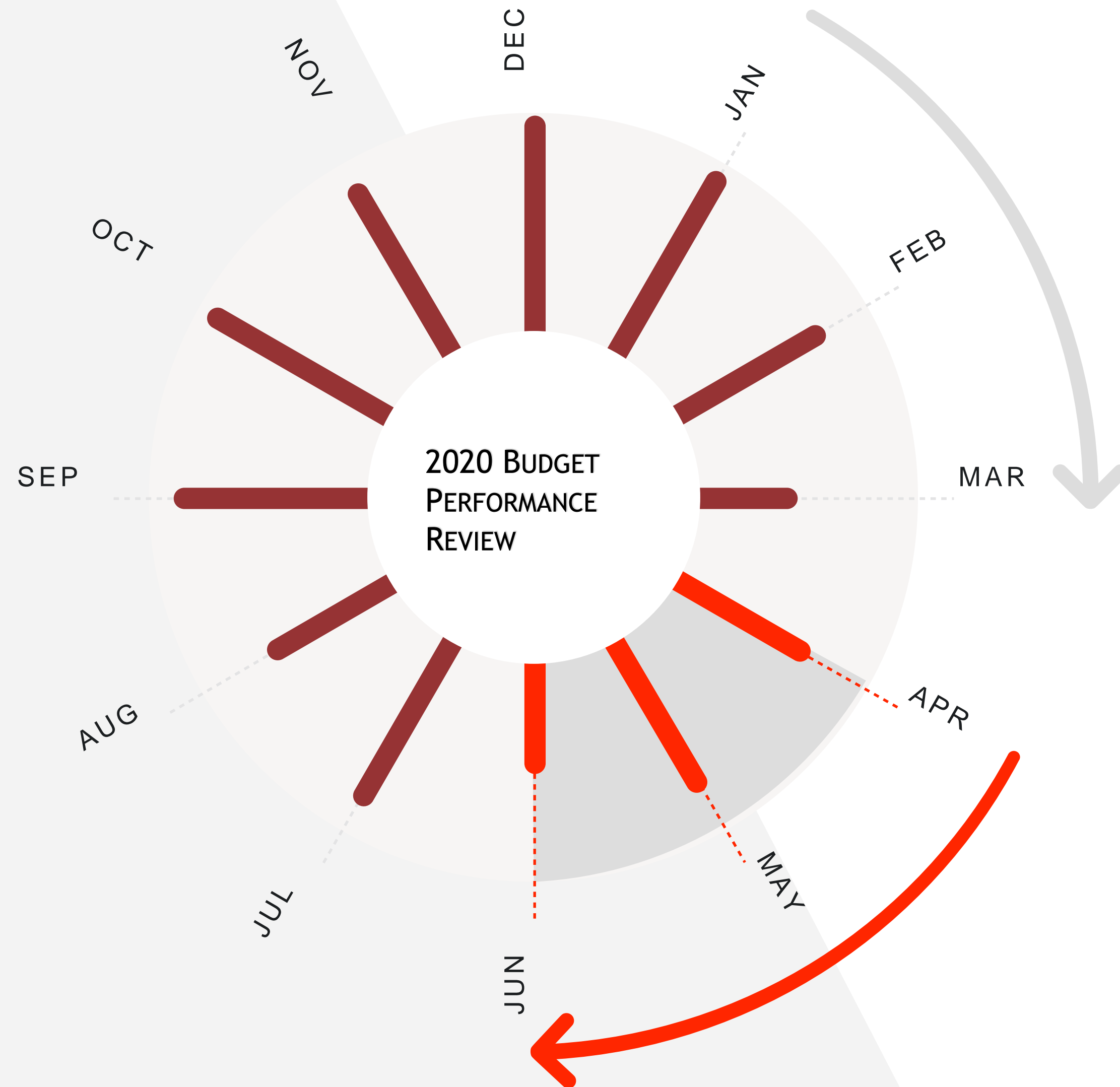
ERADICATE POVERTY AND PROMOTE ECONOMIC GROWTH THROUGH INFRASTRUCTURE RENEWAL AND DEVELOPMENT



MISSION



PURPOSE OF THE REPORT



- 1** PRESENT BUDGET PERFORMANCE AS AT Q2 / HALF YEAR 2020
- 2** IDENTIFY BUDGET IMPLEMENTATION CHALLENGES
- 3** APPLY LESSONS LEARNT FROM Q2 IN DRIVING SUBSEQUENT BUDGET IMPLEMENTATION
- 4** PROFFER SUGGESTIONS AND SOLUTIONS FOR IMPROVEMENT



2020 MEDIUM TERM BUDGET OBJECTIVE



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



▶ **ATTRACT PRIVATE SECTOR INVESTMENTS BY CREATING AN ENABLING ENVIRONMENT**



▶ **IMPROVE CIVIC ENGAGEMENTS AND PARTICIPATION IN GOVERNANCE, LEVERAGING TECHNOLOGY**



▶ **AGGRESSIVELY DEVELOP, UPGRADE AND MAINTAIN OUR INFRASTRUCTURE**



▶ **IMPROVE CAPACITY TO COLLECT DUE REVENUE AS EFFICIENTLY AS POSSIBLE**



▶ **INVEST IN HUMAN CAPITAL DEVELOPMENT, I.E. EDUCATION, HEALTHCARE AND POVERTY ERADICATION.**



▶ **IMPROVE THE QUALITY OF THE ENVIRONMENT AND OUR PUBLIC SPACES GENERALLY**



▶ **FACILITATE SUSTAINABLE SOCIAL INVESTMENT AND ENTERPRISE**

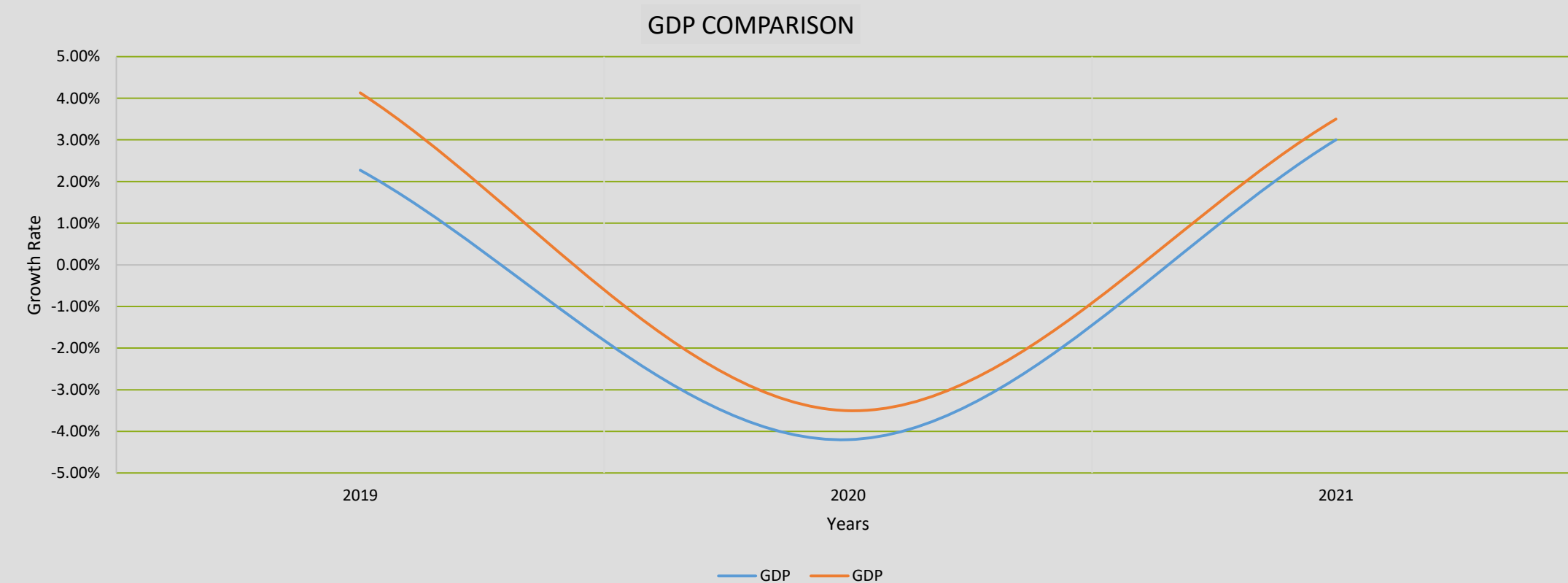


ECONOMIC PROFILE

GDP GROWTH COMPARISON NIGERIA VS LAGOS

GDP COMPARISON

Year	Nigeria	Lagos
2019	2.27%	4.13%
2020	-4.20%	-3.50%
2021	3.00%	3.50%



DATA SOURCE: NIGERIA MTFE/FSP 2021-2023, LAGOS BUREAU OF STATISTICS

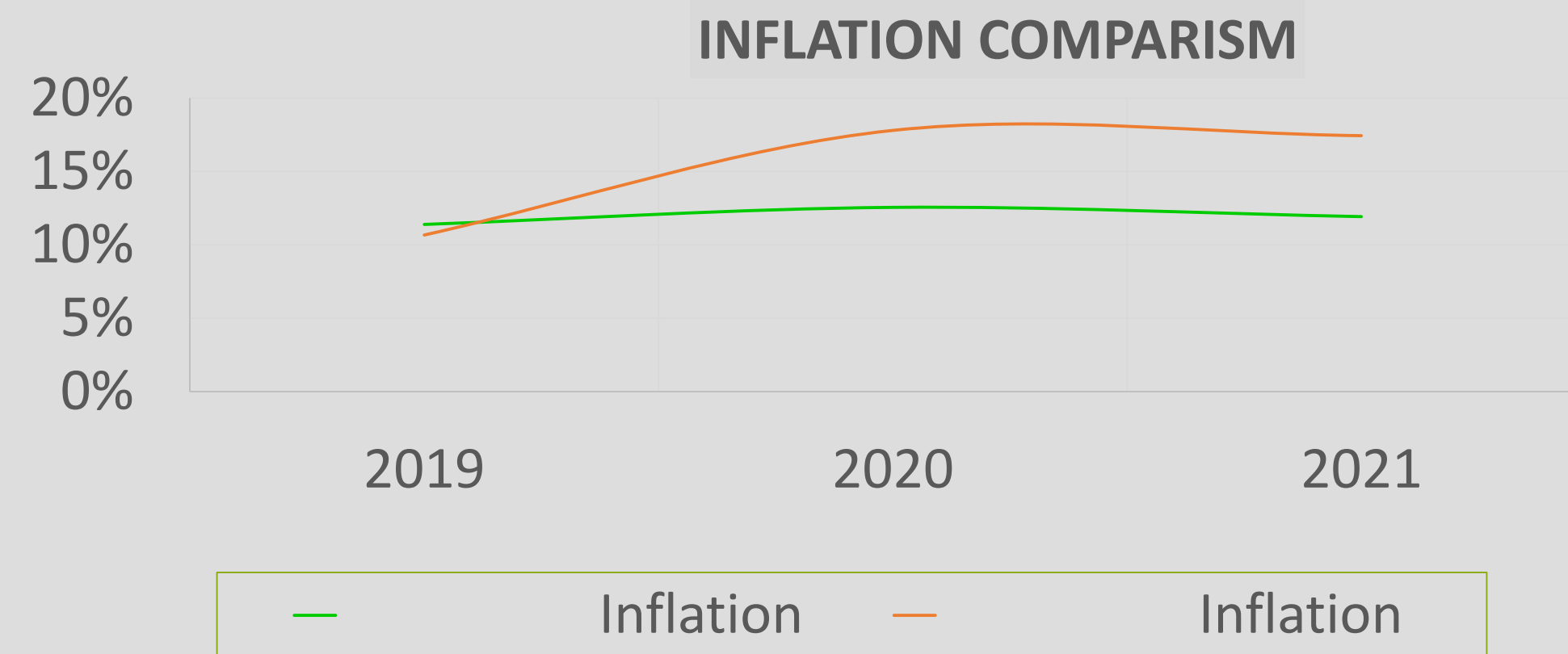
LAGOS GDP IS EXPECTED TO RECOVER QUICKLY TO 3.5% IN 2021. THIS IS CONSERVATIVE GIVEN GLOBAL RECOVERY EXPECTATIONS.

ECONOMIC PROFILE



INFLATION COMPARISON NIGERIA VS LAGOS

INFLATION COMPARISON		
Year	Nigeria	Lagos
2019	11.40%	10.67%
2020	12.56%	17.80%
2021	11.93%	17.44%



DATA SOURCE: NIGERIA MTFE/FSP REVISED, LAGOS BUREAU OF STATISTICS

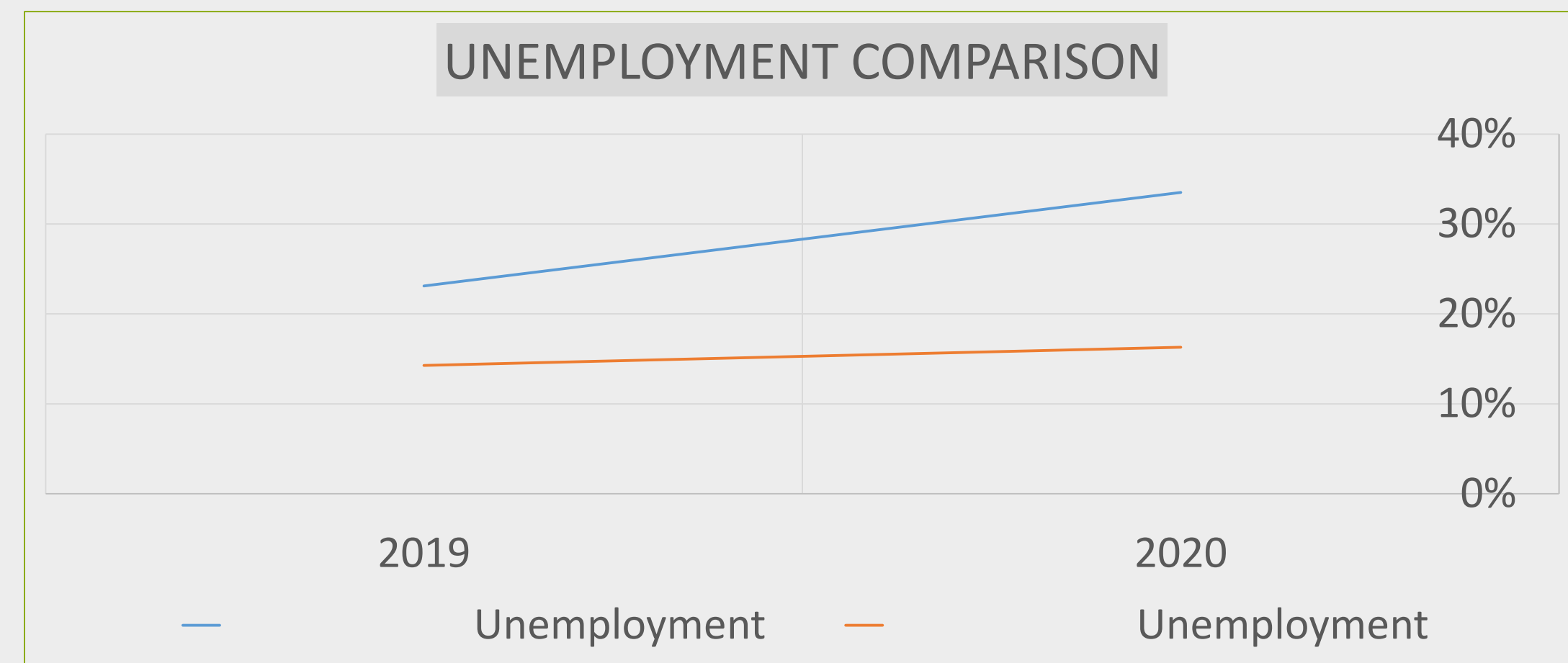
INFLATION(CPI) IS HIGH IN LAGOS COMPARED TO NIGERIA, THIS IS DUE TO THE COSMOPOLITAN NATURE OF LAGOS (CONSUMPTION PATTERN NON SUBSISTENCE), AS WELL AS BEING THE MAJOR COMMERCIAL HUB OF NIGERIA AND ACCOUNTING FOR ALMOST 60% OF ALL ECONOMIC ACTIVITIES IN NIGERIA.

ECONOMIC PROFILE



UNEMPLOYMENT COMPARISON NIGERIA VS LAGOS

UNEMPLOYMENT COMPARISON		
Year	Nigeria	Lagos
2019	23.1	14.28
2020	33.5	16.3



DATA SOURCE: NATIONAL BUREAU OF STATISTICS, LAGOS BUREAU OF STATISTICS

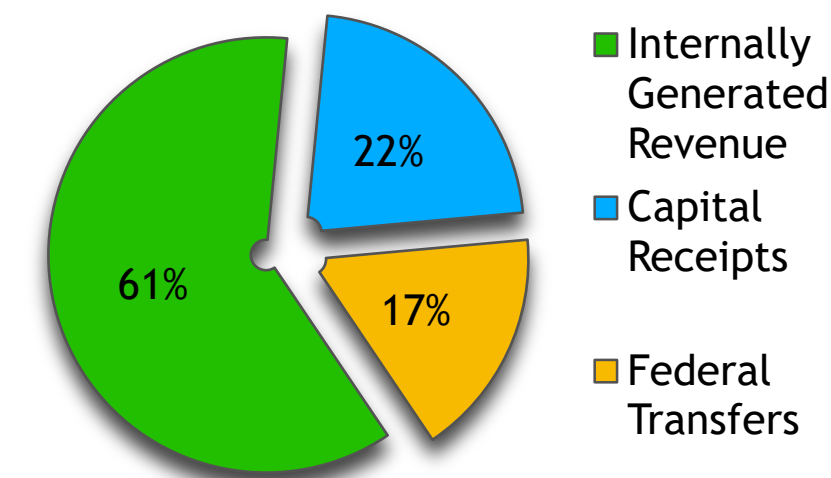
- LAGOS UNEMPLOYMENT RATE IS HIGH EVEN THOUGH IT IS SIGNIFICANTLY LESS THAN THE NATIONAL RATE.
- WE NEED TO TRACK THE OUTCOMES OF OUR VARIOUS INITIATIVES AND EXPENDITURE MEANT TO STIMULATE EMPLOYMENTS E.G IN MW&I, WAPA, MW&E, AGRIC, EDUCATION, ENVIRONMENT, MOST ETC.
- WE ALSO NEED TO SEE WHAT OUR INTERVENTION IN LSETF IS YIELDING IN SUSTAINABLE EMPLOYMENT.

2020 BUDGET OVERVIEW

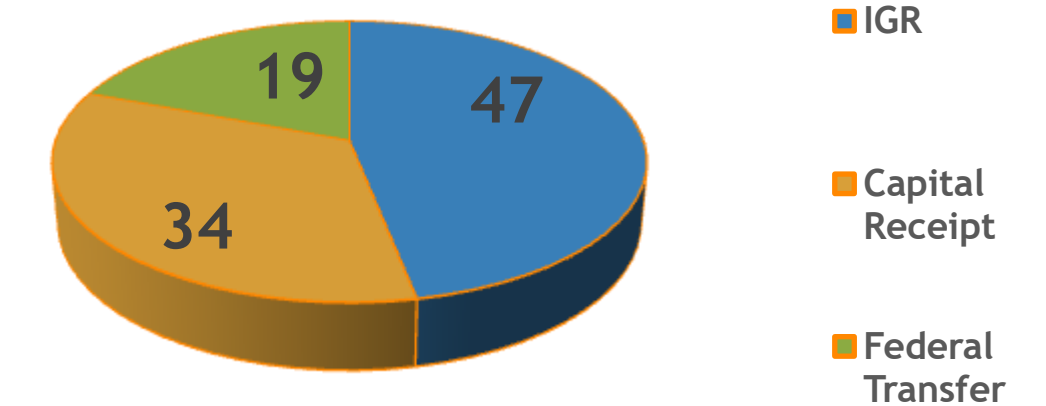


	2020 BUDGET (₦'BN)	2020 HALF YEAR BUDGET (₦'BN)	2020 HALF YEAR ACTUAL BUDGET (₦'BN)	% PERFORMANCE
TOTAL REVENUE	1,071.029	535.515	432.630	81
TOTAL RECURRENT EXPENDITURE (DEBT & NON-DEBT)	457.529	228.764	164.428	72
▶ RECURRENT (DEBT)	39.692	19.846	11.371	57
▶ RECURRENT (NON-DEBT)	417.837	208.918	153,057	73
i. PERSONNEL COST	167.907	83.953	78.353	93
ii. OVERHEAD COST	249.930	124.965	74,704	60
RECURRENT SURPLUS	613.500	306.750	268.202	87
TOTAL CAPITAL EXPENDITURE	711.033	355.517	170.411	48
FINANCING - (DEFICIT) / SURPLUS	(97.533)	48.766	97.792	201
▶ EXTERNAL LOANS	34.533	17.267	-	-
OTHERS	34.533	17.267	-	-
▶ INTERNAL LOANS	63.000	31.500	-	-
BOND ISSUANCE	-	-	-	-
BUDGET SIZE	1,168.562	584.281	334.838	57

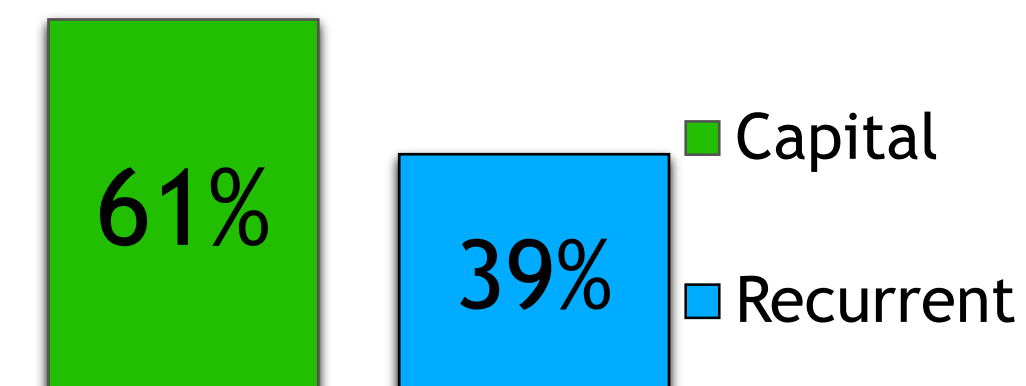
PROJECTED REVENUE SOURCES ₦'BN



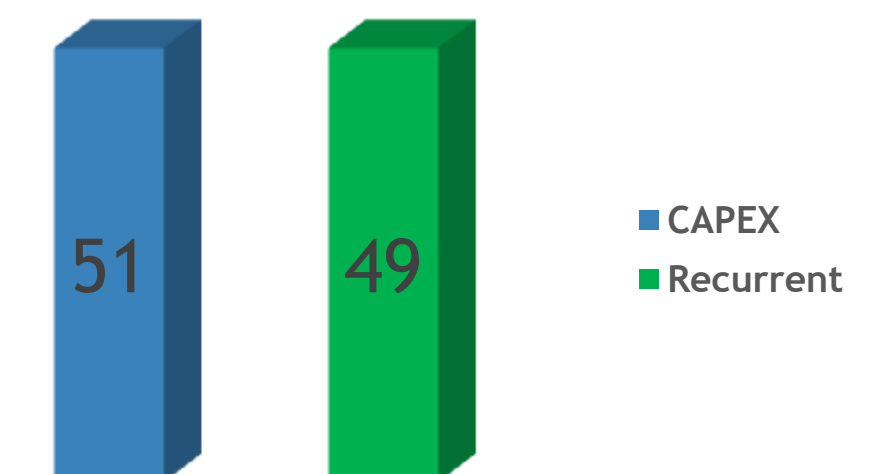
ACTUAL REVENUE SOURCES



2020 CAPITAL:RECURRENT



ACTUAL CAPITAL:RECURRENT



HALF YEAR 2020 RECORDED A BUDGET PERFORMANCE OF 57% (₦334.838BN) LARGELY DUE TO COVID; HOWEVER THIS IN ABSOLUTE TERMS IS HIGHER THAN THE 73% (₦316.676BN) RECORDED FOR THE SAME PERIOD IN 2019.



REVENUE PERFORMANCE HIGHLIGHTS – COMPARATIVE (H1) YEAR ON YEAR

YEAR	PROVISION (₦'BN)	ACTUAL (₦'BN)
2018	448.712	281.595
2019	399.998	333.589
2020	535.515	432.630

REVENUE PERFORMANCE %

2018 – 63%



2019 – 83%



2020 – 81%



- ▶ The Total Revenue performed at 81%
- ▶ 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 ₦304.930Bn, which is also higher in absolute terms compared to the same period in 2018 but lower than the outturn in 2019.
- ▶ The Corona virus pandemic affected the revenue outturn in Q2, hence the need to identify out-of-the-box solutions for alternative sources of revenue.



REVENUE PERFORMANCE HIGHLIGHTS – H1 2020

DETAILS	BUDGET (₦'BN)	ACTUAL (₦'BN)
Total Revenue	535.515	432.630
A. Internally Generated Revenue (Inclusive of Dedicated Revenue)	326.876	202.764
B. Capital Receipts	116.145	147.108
C. Federal Transfers	92.494	82.758

REVENUE PERFORMANCE %

✓ INTERNALLY GENERATED REVENUE
 ✓ CAPITAL RECEIPTS
 ✓ FEDERAL TRANSFERS



REVENUE EXPENDITURE PERFORMANCE OF 10 MDAS

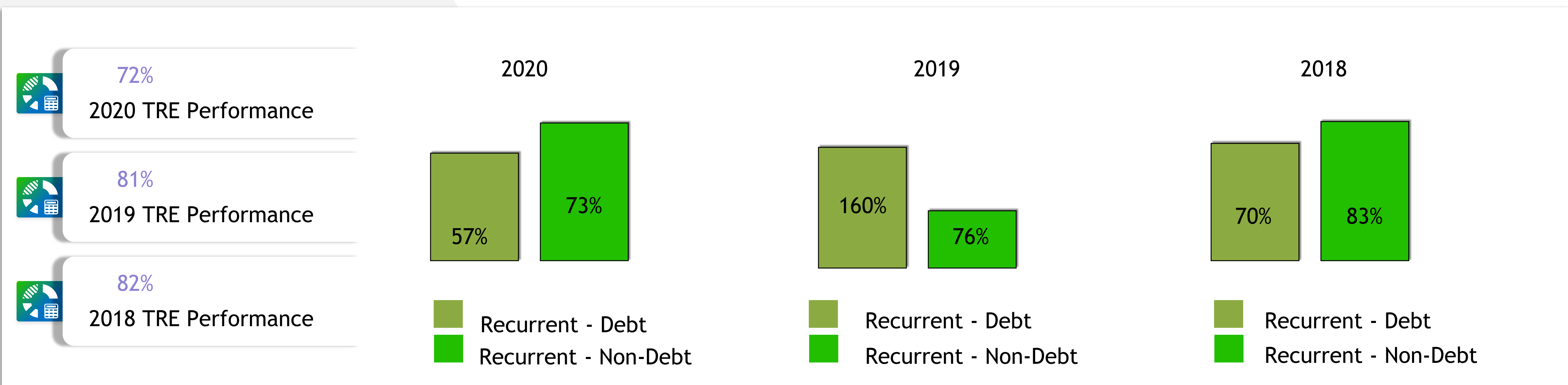


S/N	Ministry/Department/Agency	Y2020 REVENUE (N mn)	Cumulative Revenue as at June, 2020		
			Targets (N mn)	Actual (N mn)	% Perf
1	Lagos State Internal Revenue Service	500,000,000,000	250,000,000,000	179,107,219,097	72
2	Lagos State Physical Planning Permit Authority(LASPPPA)	25,133,142,227	12,566,571,113	2,579,529,222	21
3	Lands Bureau	24,000,000,000	12,000,000,000	6,582,909,264	55
4	Ministry of Finance	15,500,000,000	7,750,000,000	393,283,593	5
5	Motor Vehicle Administration Agency	13,500,000,003	6,750,000,001	3,111,673,968	46
6	Lagos State Residents Registration Agency (LASRRA)	6,750,000,000	3,375,000,000	372,912,053	11
7	Ministry of Housing	6,740,898,219	3,370,449,109	1,253,273,730	37
8	New Towns Development Authority	6,500,000,000	3,250,000,000	810,191,133	25
9	Ministry of Transportation	5,600,000,000	2,800,000,000	1,142,107,100	41
10	Lagos State Lotteries Board	3,675,000,000	1,837,500,000	1,531,118,031	83



TOTAL RECURRENT EXPENDITURE (TRE)— COMPARATIVE (H1) YEAR ON YEAR

DETAILS	2020			2019			2018		
	BUDGET JAN - JUNE (₺'BN)	ACTUAL JAN - JUNE (₺'BN)	%	BUDGET JAN - JUNE (₺'BN)	ACTUAL JAN - JUNE (₺'BN)	%	BUDGET JAN - JUNE (₺'BN)	ACTUAL JAN - JUNE (₺'BN)	%
Total Recurrent Expenditure (Debt & Non-Debt)	228.765	164,428	72	196.921	158.992	81	173.520	141.455	82
A. Recurrent (Debt)	19.846	11.371	57	10.125	16.214	160	17.953	12.648	70
B. Recurrent (Non-Debt)	208.924	153,057	73	186.797	142.778	76	155.567	128.807	83
i. Total Personnel Cost	83.954	78.353	93	84.778	51.189	60	56.121	49.870	89
ii. Total Overhead Cost	124.970	74,704	60	102.019	91.589	90	99.446	78.937	79





TOTAL OVERHEAD COST (TOC) APPRAISAL – COMPARATIVE (H1) YEAR ON YEAR

DETAILS	2020			2019			2018		
	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	%	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	%	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	%
Total Overhead Costs	124.970	74.704	60	102.019	91.589	90	99.446	78.937	79
a. Overhead Costs	65.269	53.269	82	52.155	64.463	124	62.692	60.111	96
b. Dedicated Expenditure	16.317	7.706	47	13.046	5.722	44	13.053	8.989	69
c. Subvention	43.380	13.729	32	36.818	21.404	58	23.702	9.837	42



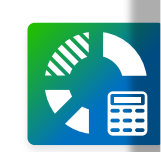
60%

2020 TOC Performance



90%

2019 TOC Performance



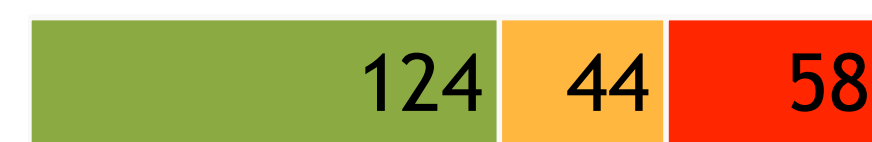
79%

2018 TOC Performance

Overhead Cost Dedicated X Subvention



2020



2019



2018

- ▶ Total Overhead Cost performed at 60% (₦74.704Bn) showing a tighter expenditure control as a result of covid compared to Y2019 of 90%(₦91.589Bn)
- ▶ Subventions to Parastatal Organizations/ Tertiary Institutions performed at 32% | ₦13.729bn against 58% | ₦21.404bn in 2019.
- ▶ There is a need to ensure that subvented Agencies improve on their IGR to gradually wean them off over-dependence on subventions.



CAPITAL EXPENDITURE – COMPARATIVE (H1) YEAR ON YEAR

DETAILS	2020			2019			2018		
	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	PERF. %	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	PERF. %	BUDGET JAN - JUNE (₦'BN)	ACTUAL JAN - JUNE (₦'BN)	PERF. %
Core Capital	219.753	96.893	44	161.079	84.382	52	216.830	102.587	47
Capital Development	10.617	4.577	43	7.458	3.217	43	10.008	4.944	49
Risk Retention Fund	0.050	0	0	0.100	0.000	0	0.054	0.000	0
Special Expenditure	4.009	4.992	125	16.468	7.887	48	57.844	5.645	10
Special Expenditure (Others)	0.500	0	0	0.000	0.000	0	0.000	0.000	0
Grants	18.028	8.628	48	5.000	0.000	0	9.763	2.900	30
Counterpart Fund	6.102	0	0	2.500	0.000	0	3.272	0.000	0
Contingency Reserve	3.559	0	0	1.601	0.000	0	2.599	3.575	138
Staff Housing Fund	0.050	0	0	0.0032	0.000	0	0.050	0.000	0
Repayments	92.850	55.320	60	15.259	27.88	183	14.985	14.266	95
Total	355.517	170.411	48	239.846	157.684	66	349.541	166.782	48

- ▶ Despite Covid, Core Capital expenditure has not performed worse than previous years. This shows that we have been more aggressive with execution of capital projects this year and to optimally utilize the loans and bonds available.
- ▶ We expect a major swing in Q3 as our major Capex Hubs are fully activated beyond STO

CAPITAL EXPENDITURE PERFORMANCE OF 10 MDAS



CAPEX

CAPITAL EXPENDITURE PERFORMANCE OF 10 MDAs

S/N	MDAs	APPROVED BUDGET	CUMULATIVE ESTIMATE	CUMULATIVE ACTUAL	% PERF.
		N	N	N	
1	Ministry of Agriculture & Family	4,840,078,266.00	2,420,039,133.00	1,771,870,191.00	73.2
2	Commerce and Industry Family	11,462,458,126.00	5,731,229,063.00	1,110,646,500.00	19.4
3	Ministry of Transportation & family	44,230,047,353.00	22,115,023,676.50	11,543,412,222.00	52.2
4	Min. of Works and Infrastructure	117,278,081,311.00	58,639,040,655.50	28,237,238,685.00	48.2
5	Min. of Waterfront Infrastructure	11,287,535,624.00	5,643,767,812.00	1,378,856,309.00	24.4
6	Min. of Energy & Mineral Resources	13,275,627,962.00	6,637,813,981.00	1,204,605,421.00	18.1
7	Min. of Tourism, Arts and Culture family	7,480,709,079.00	3,740,354,539.50	17,342,900.00	0.5
8	Min. of Environment Family	38,477,911,528.00	19,238,955,764.00	4,701,111,625.00	24.4
9	Min. of Education family	47,031,226,203.00	23,515,613,101.50	4,019,265,897.00	17.1
10	Min. of Health family	33,270,367,812.00	16,635,183,906.00	1,971,735,812.00	11.9

▶ NOTE THAT IN THE COMMERCE FAMILY, MINISTRY OF COMMERCE AND INDUSTRY HAS 1,096,900,000, WHILE CBD HAS 13,746,500

▶ IT IS IMPORTANT TO NOTE THAT SFTAS REQUIRES WE MEET 86% PERFORMANCE BY Q3

▶ WE WILL USE OUR CAPEX PERFORMANCE IN APPRAISING BUDGET ALLOCATION AT THE BILATERAL MEETINGS

▶ NO POINT ALLOCATING MORE BUDGET TO MDAs WITH LOW EXECUTION CAPACITIES.



REMEMBER THE 2020 MEDIUM TERM BUDGET OBJECTIVE



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▶ **ATTRACT PRIVATE SECTOR INVESTMENTS BY CREATING AN ENABLING ENVIRONMENT**



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▶ **FACILITATE SUSTAINABLE SOCIAL INVESTMENT AND ENTERPRISE**

2020 BUDGET OBJECTIVES



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

THE STATE HAS BUILT IMPACTFUL PARTNERSHIPS WITH THE FEDERAL, OTHER STATE AND LOCAL GOVERNMENTS. BENEFITS DERIVED FROM THIS ARE:

- ▶ N10BN GRANT FROM THE FEDERAL GOVERNMENT AS PART OF THE COVID-19 PANDEMIC SUPPORT
- ▶ COOPERATION WITH CBN TO FUND RED RAIL LINE UNDER BEST IN CLASS TERMS
- ▶ DUTY WAIVER, PORT CHARGE CONCESSION ON BUSES, SAVING OVER N20BILLION
- ▶ ALOT OF GOOD WORK HAS BEEN DONE AROUND OUR COMPLIANCE WITH SFTAS WORKING WITH WORLD BANK AND NGF. THIS CAN DELIVER UP TO \$28.1M IN GRANTS THIS YEAR
- ▶ PARTNERSHIP WITH OGUN STATE GOVERNMENT WILL DELIVER ADIYAN 2 WATER INTAKE RIGHT OF WAY
- ▶ 377 WARD INTERVENTION PROJECTS IN ALL THE WARDS IN LAGOS STATE

NEED TO CONTINUE EXPANDING FURTHER, COLLABORATIVE EFFORT WITH DEVELOPMENT PARTNERS SPECIFICALLY AND ALL TIERS OF GOVERNMENT GENERALLY

2. ATTRACT PRIVATE SECTOR INVESTMENTS BY CREATING AN ENABLING ENVIRONMENT

SOME LEVEL OF INVESTMENTS HAVE BEEN ATTRACTED, SOME ACHIEVEMENTS MADE ON EASE OF DOING BUSINESS (EODB), HOWEVER HUGE CHALLENGES STILL EXIST IN THE PERCEPTION RATING OF THE EODB IN LAGOS.

- ▶ ATTRACTED EQUITY INVESTMENT OF US\$221MILLION BY CHEC INTO LEKKI DEEP SEA PORT AMONG OTHERS.
- ▶ QUITE A LOT IS GOING ON TO IMPROVE INFRASTRUCTURE AND TECHNOLOGY E.G. THE 3,000 KM OF METRO UNIFIED BROADBAND DUCT INFRASTRUCTURE
- ▶ ELEMENTS AROUND GOVERNMENT PROCESSES STILL LAGS EXPECTATION;
 - ▶ ONE STOP SHOP FOR INVESTORS STILL NEEDS TO BE DONE
 - ▶ TITLING AND PERMITS DESPITE EFFORTS STILL OVER 8MONTHS IN SOME TITLING CASES WITH OVERWHELMING HUMAN FOLLOW UPS
 - ▶ PROCESS LARGELY MANUAL, NOT DIGITAL, WHICH IS TAKING FOREVER E.G. REUTERS, E-GIS, WORK FLOWS ETC.
 - ▶ LITTLE PUBLIC COMMUNICATION IS GOING ON.

WE SHOULD TRACK PROGRESS MONTHLY AT EXCO GIVEN THAT THIS IS AT THE HEART OF OUR REFORM

2020 BUDGET OBJECTIVES



3. IMPROVE CIVIC ENGAGEMENTS AND PARTICIPATION IN GOVERNANCE, LEVERAGING TECHNOLOGY

THE STATE HAS ACTIVELY ENGAGED THE PEOPLE AND BUSINESS ENTITIES, WE ARE HOWEVER SHORT ON THE FORMAL STRUCTURE/PLATFORMS TO HARNESS AND TRACK ACTIVE TWO-WAY CITIZENS ENGAGEMENT.

- ▶ THE EXISTENCE OF THE OFFICE OF CIVIC ENGAGEMENT IS A MAJOR STEP TOWARDS THIS OBJECTIVE
- ▶ THE STATE HAS CONTINUOUSLY ENGAGED THE PUBLIC (RELIGIOUS LEADERS, BUSINESS COMMUNITIES, TRADITIONAL RULERS, LOCAL GOVERNMENT CHAIRMEN AND OTHER ARMS OF GOVERNMENT THROUGH VARIOUS CONSULTATIVE MEDIUM)
- ▶ OPERATION OF THE CITIZENS GATE PORTAL WAS RECENTLY TRANSFERRED TO OCE ON THE 15TH OF JUNE 2020. ACTIVELY ENGAGING A FIT FOR PURPOSE PORTAL IS DESIRABLE BUT ON THE WAY.
- ▶ CIVIC ENGAGEMENT TO URGENTLY CONSOLIDATE, BUILD ITS FORMAL ORGANIZATION TO ACTIVELY ATTRACT PARTICIPATION OF CITIZENS, AND HARNESS FEEDBACK FROM LAGOSIANS.
- ▶ CITIZENS SHOULD BE ENCOURAGED THROUGH DELIBERATE FRAMEWORKS AND ADVOCACY TO REGISTER WITH LASRRA.

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 SOME ICONIC DEVELOPMENT. DELAYS EXPERIENCED ARE DUE MAINLY TO COVID 19 RESTRAINT & PROCUREMENT.

- ▶ SIGNIFICANT PROGRESS ARE BEING MADE TO FLAG OFF ICONIC PROJECTS LIKE THE REGIONAL ROAD, RAIL PROJECTS & WATER TRANSPORT. CHALLENGES STILL EXIST RESULTING IN DELAYS.
- ▶ COVID TRIGGERED A FOCUSED ATTENTION ON THE HEALTH SECTOR, HOWEVER THE PLANNED REHABILITATION OF PHCs AND SECONDARY HEALTH CENTRES NEEDS TO GET AHEAD.
- ▶ 55% OF THE 119 PUBLIC FACILITIES EARMARKED FOR REHABILITATION HAVE BEEN COMPLETED BY LASIAMA, WHILE SCRPS IS ABOUT 15% DUE TO COVID, EDUCATION SYSTEM REFORMS STILL EARLY DAYS BUT GAINING TRACTION.
- ▶ WATER CORPORATION IS DEEPLY CHALLENGED, OPERATING AT ~20% CAPACITY
- ▶ POWER PROGRESSED WITH METERING, FRANCHISE AGREEMENT & LED RETROFIT. WE MUST GAIN SPEED
- ▶ METRO BROAD BAND DUCT AND CAMPUS INFRASTRUCTURE UNDERWAY. MULTI AGENCY BUILDING BEHIND SCHEDULE BY 5 YEARS; REVENUE HOUSE SEVERELY DELAYED

2020 BUDGET OBJECTIVES



5. IMPROVE CAPACITY TO COLLECT DUE REVENUE AS EFFICIENTLY AS POSSIBLE

SEVERAL VIABLE INITIATIVES TO IMPROVE SIGNIFICANTLY OUR REVENUE GENERATING CAPABILITY NOT YET FULLY MAINSTREAMED.

- ▶ E-TAX HAS COMMENCED; IBILE HUB YET TO COMMENCE, PROJECTED TO COMMENCE IN SEPTEMBER
- ▶ LUC JUST GETTING ON THE WAY WITH VARIOUS INCENTIVE PROGRAMS, COLLECTION OF CONSUMPTION TAX APPEAR STALLED IN THE MEAN TIME
- ▶ TURNAROUND ON PROPERTY TITLES VERY SLUGGISH DESPITE DECENTRALIZATION BY MG, THE COORDINATION BETWEEN LANDS, SURVEYOR GENERAL'S OFFICE, MPP&UD AND LIRS NEED TO IMPROVE FOR SIGNIFICANCE.
- ▶ LASRERA IS OFF TO A GREAT START. WE NEED ACCELERATION IN REVENUE OUTCOMES AND IMPACT.
- ▶ PARASTATALS HAVE BECOME LAZY THROUGH SUBVENTION ONLY A FEW YIELD DIVIDENDS
- ▶ MVAA STILL AT 46% PERFORMANCE:
 - ▶ CONFLICTS WITH LG/LCDA OVER AUTO MART DEALERS LICENSES, HACKNEYS PERMIT AND RIDERS CARD; AS AT HALF YEAR, THE ISSUANCE OF TEMPORARY VEHICLE TAG, ARTICULATED NUMBER PLATES FOR TANKERS AND TRAILERS ARE YET TO COMMENCE; ONLY ONE DEPARTMENT (LICENSING AND RECORDS) GENERATED REVENUE DURING THE 2ND QUARTER

WE NEED TO FOCUS OUR MONTHLY TPRM ON THE STATUS OF THESE INITIATIVES

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

LOOKING AT THE POPULATION OF THE STATE, AGENCIES FOCUSED ON HUMAN CAPITAL DEVELOPMENT NEED TO SCALE UP THEIR ACTIVITIES TO DELIVER DESIRED OUTCOMES.

- ▶ ALTHOUGH A LOT IS BEING DONE IN THE EMPOWERMENT SPACE THE OUTCOMES IN TERMS OF EMPLOYMENT ARE STILL LOW (~33,000 BENEFICIARY IN TRAINING—WAPA, MWC&E, LSETF)
- ▶ 14,781 HAS BEEN TRAINED IN THE CIVIL SERVICE VS ~7,000 TARGETED FOR Y2020, LEVERAGING DIGITAL TRAINING PLATFORM, LMS PROMISES TO BE EXPONENTIALLY IMPACTFUL
- ▶ LASHMA ACHIEVED 121,073 (4.8%) ENROLEES VS 2.5MILLION TARGET FOR Y2020
- ▶ A LOT OF PLANNING DONE ON HEALTH CARE FACILITIES; WE NOW NEED TO UNDERTAKE ACTUAL CONSTRUCTION TO CATCH UP.
- ▶ CAPTURED 131,011 VULNERABLE HOUSEHOLDS. 80,951 (81%) ACHIEVED IN JUNE 2020 BRINGING LAGOS TO 12TH FROM 32ND POSITION NATIONALLY. STILL A LONG WAY TO GO.
- ▶ VOCATIONAL EDUCATION IS UP TO A SLOW START COMPOUNDED BY THE PANDEMIC

2020 BUDGET OBJECTIVES



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

THE QUALITY OF THE ENVIRONMENT, PUBLIC SPACES AND SECURITY CONTINUE TO BE A CHALLENGE, GIVEN THE THE POPULATION SIZE, HABITS AND ENFORCEMENT CAPABILITY.

- ▶ SIGNIFICANT AMOUNT OF WORK HAS BE COMPLETED IN DRAINAGE STATEWIDE
- ▶ THE GLOBAL CHALLENGE OF PET BOTTLES IN OUR WATER WAYS AND DRAINS REMAIN A HUGE CHALLENGE. APART FROM ADVOCACY, NO ALTERNATIVE FRAMEWORK HAS BEEN DELIVERED YET.
- ▶ SOLID WASTE MGT. HAVE BEEN EFFECTIVELY BROUGHT UNDER CONTROL, WE ARE YET TO IMPLEMENT OR ATTRACT ANY WASTE CONVERSION INVESTMENT.
- ▶ AIR QUALITY HAS GENERALLY IMPROVED, HOWEVER THERE IS STILL A BIG GAP IN THE PROVISION OF PUBLIC TOILETS, OPEN DEFECATION IS STILL RIFE AND WASTE WATER TREATMENT UNATTENDED TO.
- ▶ THE AMOUNT OF SLUMPS CONTINUE TO INCREASE, NO URBAN RENEWAL RECORDED YET
- ▶ THE SECURITY SITUATION IN TERMS OF CRIME IS STABLE ALTHOUGH ENFORCEMENT FOR ORDER APPEAR WEAK. JUSTICE IS TAKING ACTIONS TO FRAME SOME OF OUR JUDICIAL CHALLENGES

8. FACILITATE SUSTAINABLE SOCIAL INVESTMENT AND ENTERPRISE

WE ARE DEVELOPING A DELIBERATE FRAMEWORK TO ATTRACTING SOCIAL INVESTMENT AND ENTERPRISE. A MULTI MINISTERIAL EFFORT IS BEING DEPLOYED TO ACHIEVE THIS. SOME TRACTION HAS BEEN GAINED BUT ALOT OF ROOM FOR IMPROVEMENTS STILL EXIST.

- ▶ BEGAN THE TRANSFORMATION PROCESS FOR DRIVING UPWARDS OUR ENGAGEMENT WITH GRANTING ORGANIZATIONS AND DEVELOPMENT PARTNERS
- ▶ SIGNIFICANT SOCIAL INVESTMENTS ATTRACTED DURING COVID AND FOR THE ABULE ADO VICTIMS, OVER N20B IN CASH AND KIND FROM YPO, GT BANK, CACOVID, HONEYWELL ETC
- ▶ SDGI, MWC&E, WAPA, AGRIC AND OCE LAUNCHED SEVERAL SOCIAL IMPACT PROGRAMS AND COORDINATED SEVERAL INTERVENTIONS.
 - ▶ SDGI DEPLOYED OVER 4,000 PAID VOLUNTEERS OVER SEVERAL INTERVENTIONS, MORE IS EXPECTED ON NON PAID VOLUNTEERS
 - ▶ MWC&E RECEIVED APPROVAL FOR HUBS AND INTERNSHIP PROGRAMS TO PROMOTE DIFFERENT SOCIAL ENTERPRISE
 - ▶ AGRIC HAS BEGAN PLANS TO ADDRESS THE FOOD PRODUCTION CENTRE, FOOD MARKETS AND LACE
 - ▶ WAPA AND OCE HAS UNDERTAKEN SOME ACTIVITIES IN THE SOCIAL SPACE.
- ▶ PARTICIPATED IN SEVERAL EVENTS TO PROMOTE SOCIAL INVESTMENT AND ENTERPRISE AROUND THE WORLD E.G. NY, ATLANTA, JAPAN, CHINA, GENEVA, DEVOS.
- ▶ A LOT OF WORK GOING ON WITH THE WORLD BANK N-CARE, SOCU, CASH TRF ETC



OBSERVATIONS & RECOMMENDATIONS — REVENUE

Total IGR performed at 79%.

In as much as the Covid-19 pandemic affected the State's IGR, efforts should be made to ensure commitment to an **initiative** based monthly TPRM to drive revenue performance.

TOTAL IGR (INTERNALLY GENERATED REVENUE)

There is a need for increased sensitization and the issuance of a statewide circular compelling all revenue generating MDAs to be profiled and active on the CBS platform in order to plug loopholes & revenue drains.
Timeline should be given for this.

CENTRAL BILLING SYSTEM (CBS)

LUC is off to a flying restart. Issuance of Y2020 LUC invoices should now begin. We are in a hurry covering increased enumerated area across the State, including enforcement activities.

LAND USE CHARGE (LUC)

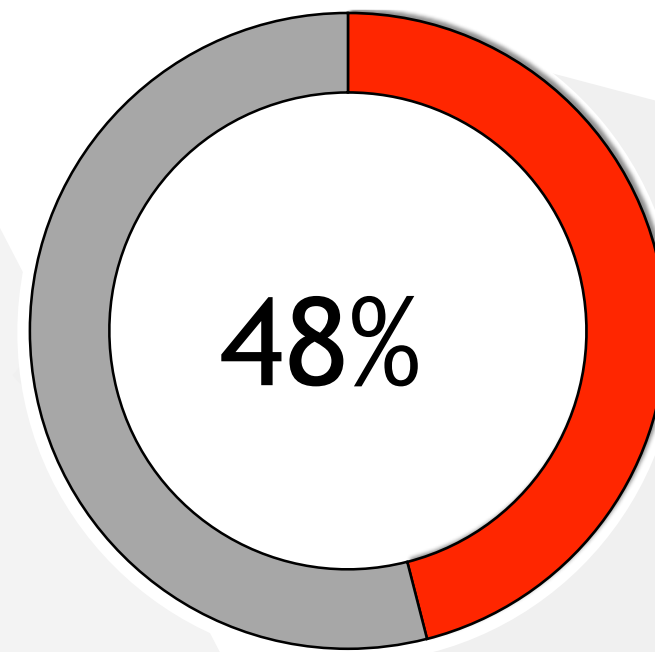
The full implementation of the Revenue Reform is expected to shore up Revenue in 2020.

All tax reforms should be operationalized quickly and new channels for revenue generation should be explored, considering the current effects of Covid-19.

REVENUE REFORM



OBSERVATIONS & RECOMMENDATIONS — CAPITAL EXPENDITURE



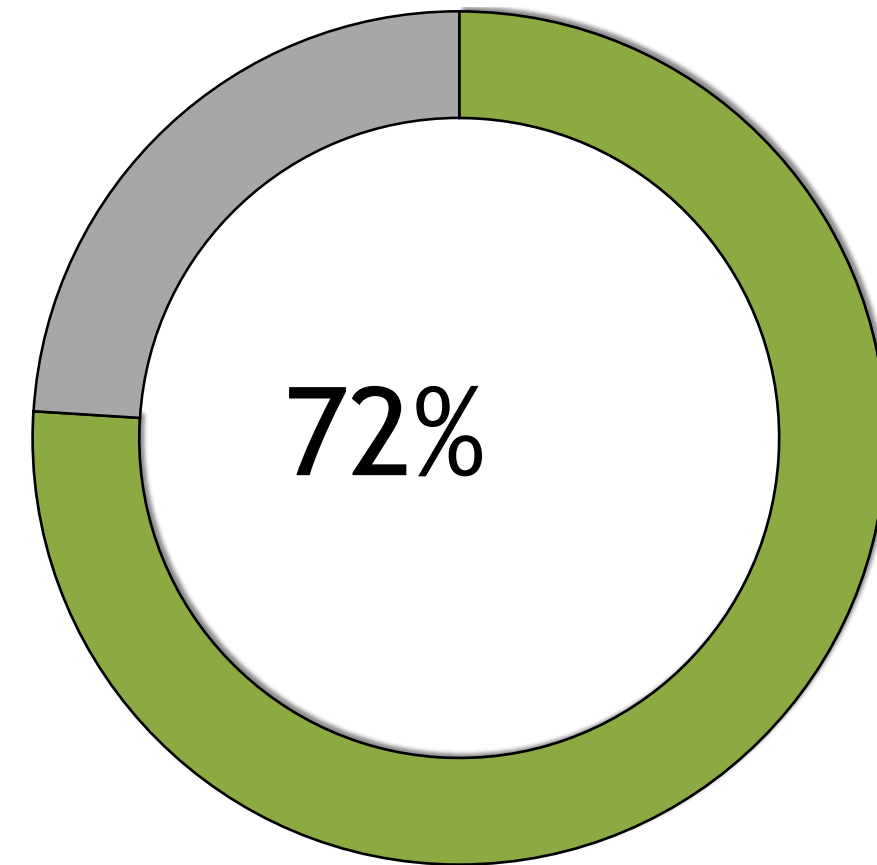
The Total Capital Expenditure at 48% | ₦170.411Bn reveals a Capex|Recurrent ratio of (51:49), indicating a need for improvement in subsequent quarters to achieve the target of 61:39 set for the year.

MDAs should be more proactive in exploring creative ways to finance their projects.

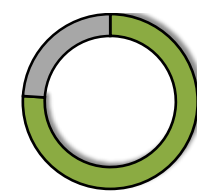
Efforts should be made to push Capex performance above 86% in the remaining quarters for eligibility for SFTaS.



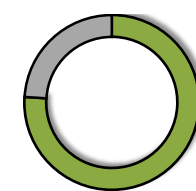
OBSERVATIONS & RECOMMENDATIONS – RECURRENT EXPENDITURE 1/2



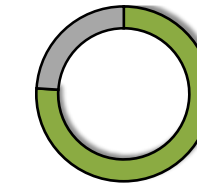
The Total Recurrent Expenditure at 72% | ₦164.428Bn reveals a Capex|Recurrent ratio of (51:49), indicating a need to adopt a more disciplined approach to expenditure to achieve an optimal Capex|Recurrent ratio.



There is a need to cut down on Recurrent Expenditure in order to save funds for the implementation of Capital Projects.



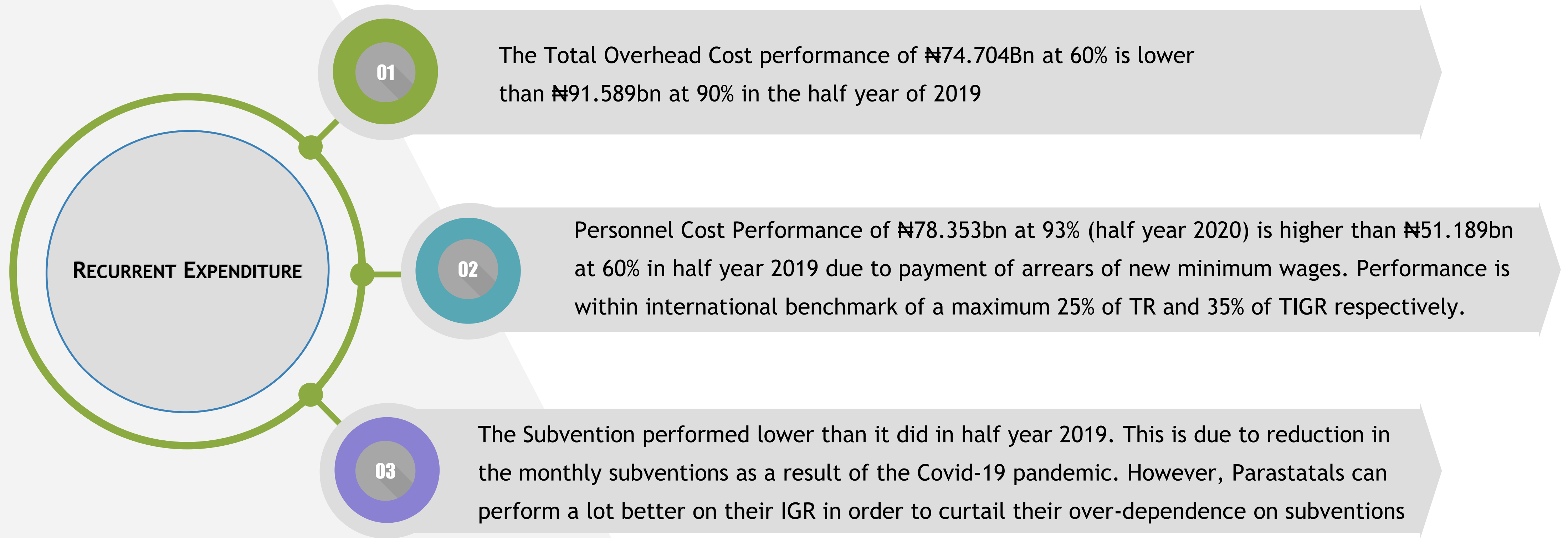
- The process from approvals to payment should be reviewed for efficiency
- There is a need to scale up the monthly self-assessment and quarterly TPRM to enhance budget performance.



- MDAs need to be more proactive in engaging the procurement process.



OBSERVATIONS & RECOMMENDATIONS – RECURRENT EXPENDITURE 2/2



CONCLUSION



01

PRAYER:

EXCO TO NOTE THAT:

- ▶ THE Q2 2020 REVENUE PERFORMED AT 51%
- ▶ RECURRENT EX. PERFORMED AT 67%
- ▶ CAPEX PERFORMED AT 48%
- ▶ Q2 BUDGET PERF. AT 61%

02

- ▶ HALF YEAR REVENUE CLOSED AT 81%
- ▶ RECURRENT EXP. AT 72%
- ▶ CAPEX PERFORMED AT 48%
- ▶ HALF YEAR PERFORMED AT 57%

03

- ▶ EXCO TO KINDLY APPROVE THE Q2 AND HALF YEAR BUDGET PERFORMANCE AND RECOMMENDATION AS PRESENTED, PLEASE



MINISTRY OF ECONOMIC PLANNING AND BUDGET
GOVERNMENT SECRETARIAT, ALAUSA, IKEJA,
LAGOS STATE, NIGERIA.

WEB: [HTTP://MEPB.LAGOSSTATE.GOV.NG](http://MEPB.LAGOSSTATE.GOV.NG)
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TWITTER: @FOLLOWLASG

Appendix



BUDGET PERFORMANCE SUMMARY (REVENUE)

FUNCTION GROUP	2020 APPROVED BUDGET (₦'MN)	Q1			Q2			YTD (CUMULATIVE)		
		BUDGET JAN - MARCH (₦'MN)	ACTUAL JAN - MARCH (₦'MN)	PERFORMANCE (%)	BUDGET APR - JUNE (₦'MN)	ACTUAL APR - JUNE (₦'MN)	PERFORMANCE (%)	BUDGET JAN - JUNE (₦'MN)	ACTUAL JAN - JUNE (₦'MN)	PERFORMANCE (%)
A. TOTAL REVENUE (B + E)	1,071,029	267,757	295,474	110	267,757	137,156	51	535,515	432,630	81
B. TOTAL IGR(C +D)	886,041	221,510	254,204	115	221,510	95,668	43	443,021	349,872	79
C. INTERNALLY GENERATED REVENUE	653,751	163,438	113,189	69	163,438	89,575	55	326,876	202,764	62
i. Lagos Internal Revenue Services	500,000	125,000	98,523	79	125,000	78,685	63	250,000	177,208	71
ii. Internally Generated Revenue(Others)	118,118	29,530	11,292	38	29,530	6,558	22	59,059	17,850	30
iii. Dedicated Revenue	32,633	8,158	3,374	41	8,158	4,332	53	16,317	7,706	47
iv. Investment Income	3,000	750	0	0	750	0	0	1,500	0	0
D. CAPITAL RECEIPTS	232,290	58,073	141,016	243	58,073	6,093	10	116,145	147,108	127
i. Grants	36,056	9,014	12,118	134	9,014	2,713	30	18,028	14,832	82
ii. Balance from Loan Proceed	100,000	25,000	30,000	120	25,000	0	0	50,000	30,000	60
iii. Balance from Bond Issuance	75,000	18,750	97,700	521	18,750	0	0	37,500	97,700	261
iv. Other Capital Receipts	21,234	5,309	1,198	23	5,309	3,379	64	10,617	4,577	43
E. Federal Transfers	184,988	46,247	41,270	89	46,247	41,488	90	92,494	82,758	89
i. Statutory Allocation	64,504	16,126	13,505	84	16,126	12,475	77	32,252	25,980	81
ii. Value Added Tax	111,384	27,846	27,765	100	27,846	28,699	103	55,692	56,464	101
iii. Extra Ordinary Income	10,000	2,500	0	0	2,500	0	0	5,000	0	0
iv. 13% Derivation	100	25	0	0	25	314	1258	50	314	629



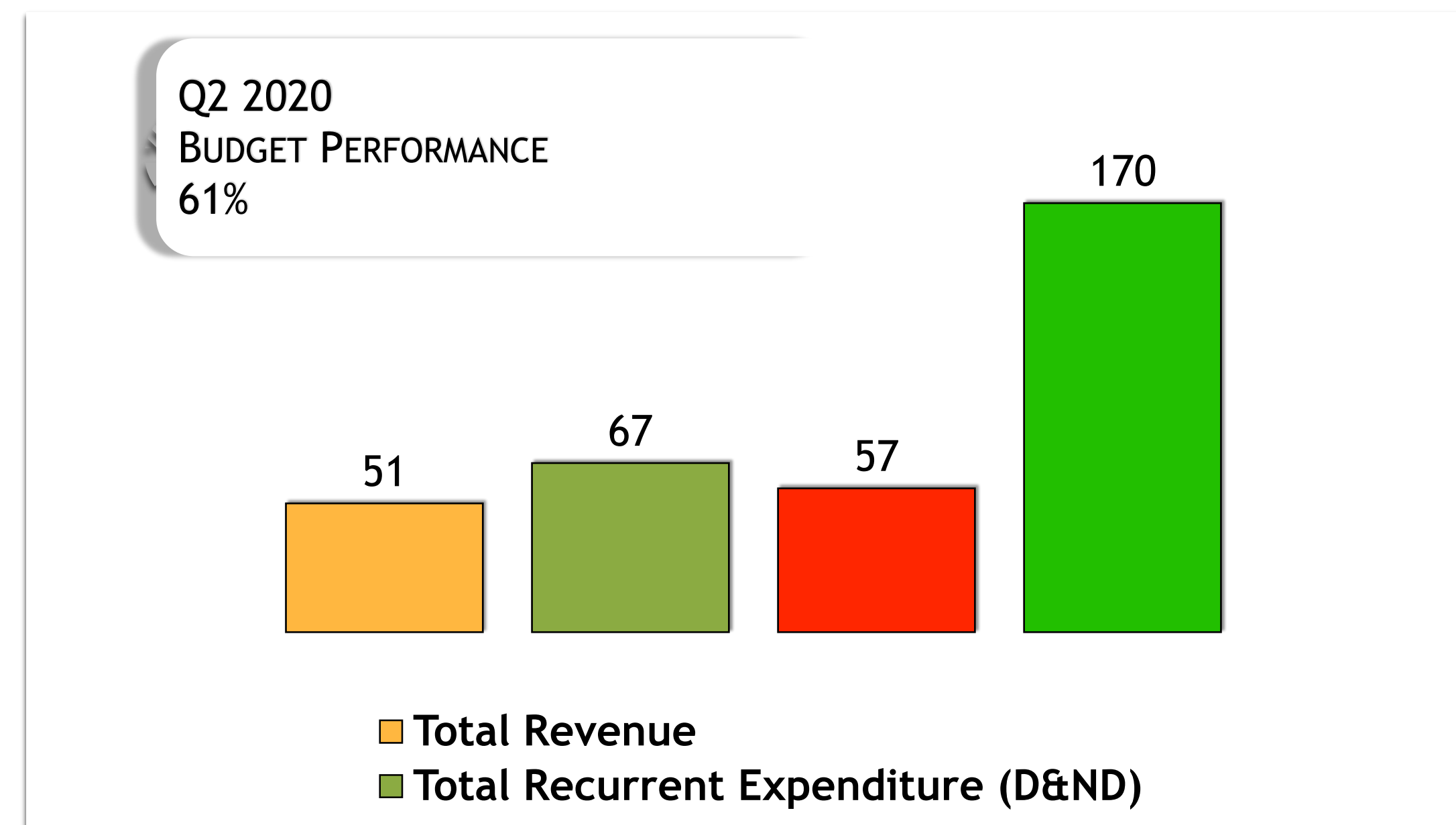
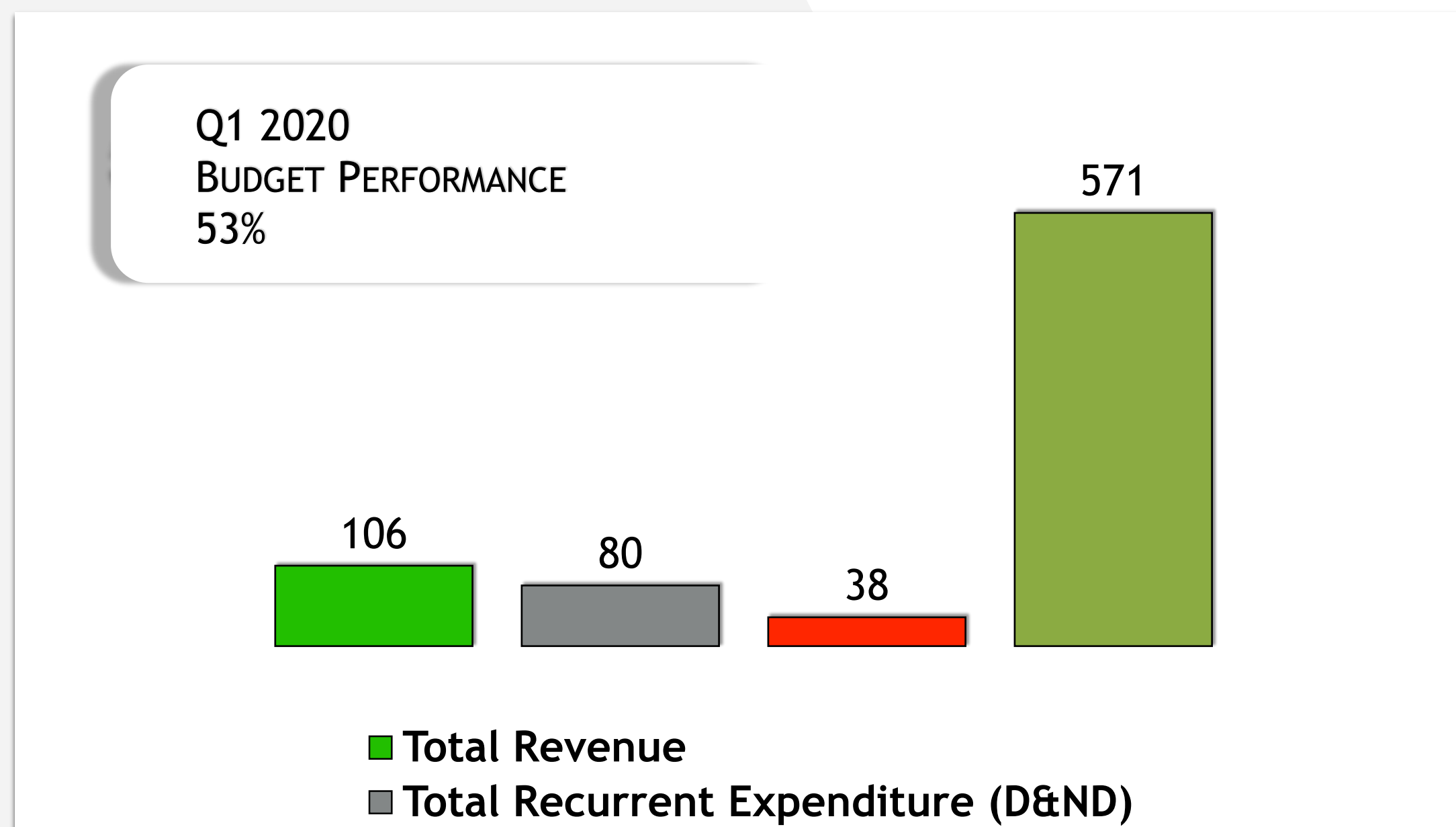
BUDGET PERFORMANCE SUMMARY (RECURRENT - DEBT & NON DEBT)

FUNCTION GROUP	2020 APPROVED BUDGET (₦'MN)	Q1			Q2			YTD (CUMULATIVE)		
		BUDGET JAN - MARCH (₦'MN)	ACTUAL JAN - MARCH (₦'MN)	PERFORMANCE (%)	BUDGET APR - JUNE (₦'MN)	ACTUAL APR - JUNE (₦'MN)	PERFORMANCE (%)	BUDGET JAN - JUNE (₦'MN)	ACTUAL JAN - JUNE (₦'MN)	PERFORMANCE (%)
F. RECURRENT EXPENDITURE (DEBT & NON DEBT)	457,529	114,382	87,985	77	114,382	76,443	67	228,765	164,428	72
G. RECURRENT DEBT	39,692	9,923	8,534	86	9,923	2,836	29	19,846	11,371	57
i. Debt Charges (External)	4,992	1,248	1,295	104	1,248	1,407	113	2,496	2,702	108
ii. Debt Charges (Internal)	29,700	7,425	7,239	97	7,425	1,430	19	14,850	8,669	58
iii. Bond Charges	5,000	1,250	0	0	1,250	0	0	2,500	0	0
H. RECURRENT NON DEBT	417,847	104,462	79,450	76	104,462	73,607	70	208,924	153,057	73
I. Total Personnel Costs	167,907	41,977	39,018	93	41,977	39,336	94	83,954	78,353	93
J. Total Overhead Costs	249,940	62,485	40,433	65	62,485	34,271	55	124,970	74,704	60
i. Overhead Costs	130,538	32,635	29,070	89	32,635	24,199	74	65,269	53,269	82
ii. Dedicated Expenditure	32,633	8,158	3,374	41	8,158	4,332	53	16,317	7,706	47
iii. Subvention	86,759	21,690	7,989	37	21,690	5,740	26	43,380	13,729	32



BUDGET PERFORMANCE HIGHLIGHTS — Q1 vs Q2 (2020)

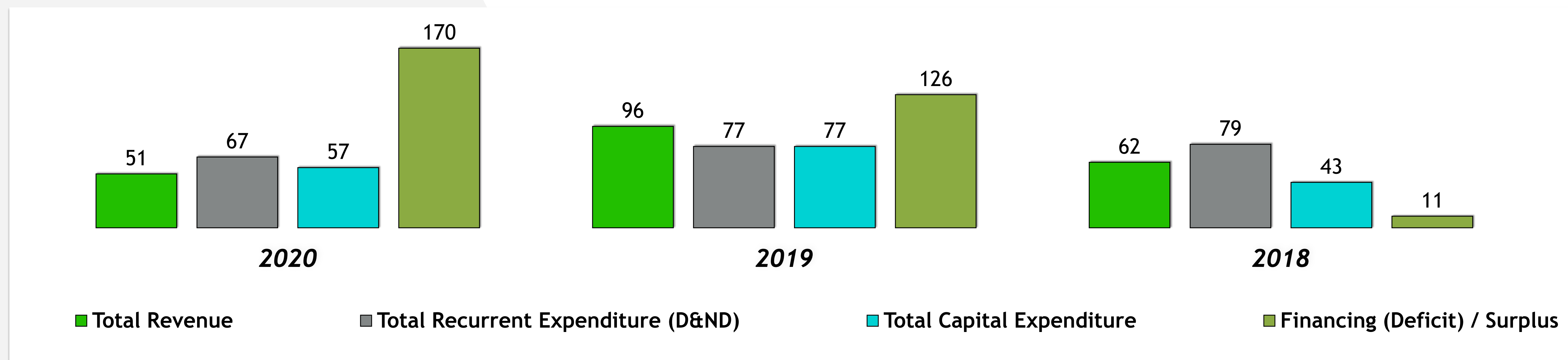
DETAILS	Q1 2020 (₦'BN)			Q2 2020 (₦'BN)		
	BUDGET JAN - MAR	ACTUAL JAN - MAR	%	PROV. APR - JUN	ACTUAL APR - JUN	%
Total Revenue	267.757	282.593	106	267.757	137.156	51
Total Recurrent Expenditure (D&ND)	114.382	90.980	80	114.382	76.443	67
Total Capital Expenditure	177.758	68.270	38	177.758	102.141	57
Financing (Deficit) / Surplus	(24.383)	139.220	571	(24.383)	(41.428)	170
BUDGET SIZE	292.141	156.254	53	292.141	178.584	61





BUDGET PERFORMANCE HIGHLIGHTS — COMPARATIVE (Q2) YEAR ON YEAR

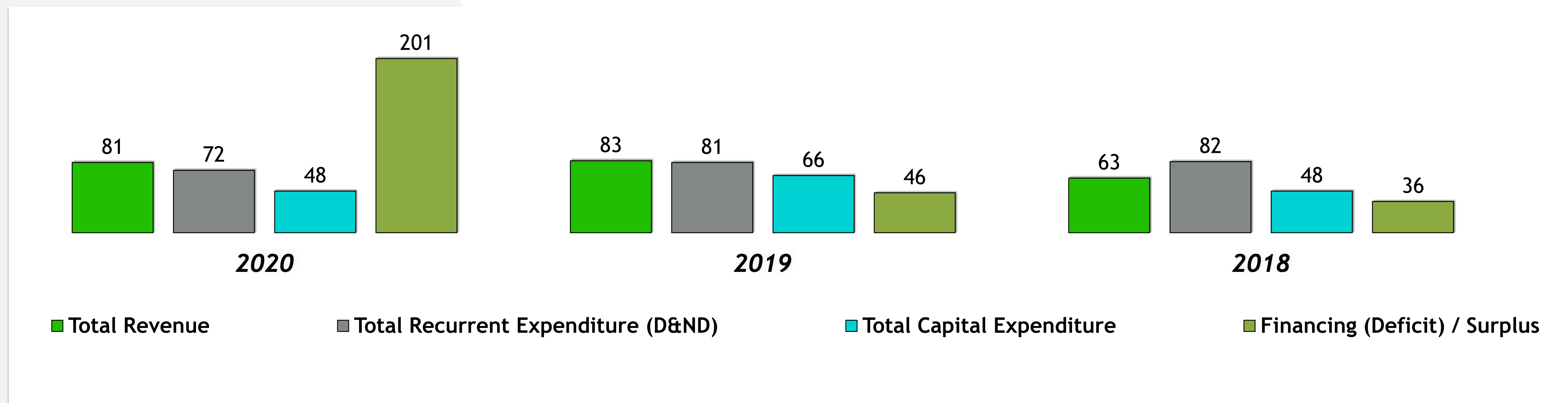
DETAILS	Q2 2020 (₦'BN)			Q2 2019 (₦'BN)			Q2 2018 (₦'BN)		
	BUDGET APRIL- JUNE	ACTUAL APRIL - JUNE	%	PROV. APRIL- JUNE	ACTUAL APRIL- JUNE	%	PROV. APRIL- JUNE	ACTUAL APRIL- JUNE	%
Total Revenue	267.757	137.156	51	199.999	191.730	96	224.356	138.802	62
Total Recurrent Expenditure (D&ND)	114.382	76.443	67	98.460	75.778	77	86.760	68.289	79
Total Capital Expenditure	177.758	102.141	57	119.923	92.792	77	174.771	74.510	43
Financing (Deficit) / Surplus	(24.383)	(41.428)	170	(18.384)	23.161	126	(37.175)	(3.996)	11
BUDGET SIZE	292.141	178.584	61	218.383	168.570	77	261.530	142.798	55





BUDGET PERFORMANCE HIGHLIGHTS – COMPARATIVE (H1) YEAR ON YEAR

DETAILS	H1 2020 (₦'BN)			H1 2019 (₦'BN)			H1 2018 (₦'BN)		
	BUDGET JAN - JUN	ACTUAL JAN - JUN	%	PROV. JAN - JUN	ACTUAL JAN - JUN	%	PROV. JAN - JUN	ACTUAL JAN - JUN	%
Total Revenue	535.515	432.630	81	399.998	333.590	83	448.712	281.595	63
Total Recurrent Expenditure (Debt & Non-Debt)	228.765	164.428	72	196.921	158.992	81	173.520	141.455	82
Total Capital Expenditure	355.517	170.411	48	239.846	157.684	66	349.541	166.782	48
Financing Surplus / (Deficit)	(48.767)	97.792	201	(36.769)	16.913	46	(74.350)	(26.643)	36
Budget Size	584.281	334.838	57	436.766	316.676	73	523.061	308.238	59





BUDGET PERFORMANCE SUMMARY (CAPEX AND FINANCING)

FUNCTION GROUP	2020 APPROVED BUDGET (#'MN)	Q1			Q2			YTD (CUMULATIVE)		
		BUDGET JAN - MARCH (#'MN)	ACTUAL JAN - MARCH (#'MN)	PERF. (%)	BUDGET APR - JUNE (#'MN)	ACTUAL APR - JUNE (#'MN)	PERF. (%)	BUDGET JAN - JUNE (#'MN)	ACTUAL JAN - JUNE (#'MN)	PERF. (%)
K. SURPLUS/(DEFICIT) ON CRF	613,500	153,375	207,489	135	153,375	60,713	40	306,750	268,203	87
L. TOTAL CAPITAL EXPENDITURE	711,033	177,758	68,270	38	177,758	102,141	57	355,517	170,411	48
M. CAPITAL EXPENDITURE	525,334	131,334	33,849	26	131,334	81,242	62	262,667	115,091	44
i. Core Capital Expenditure	439,505	109,876	30,998	28	109,876	65,896	60	219,753	96,893	44
ii. Capital Development (Dedicated)	21,234	5,309	1,198	23	5,309	3,379	64	10,617	4,577	43
iii. Grants	36,056	9,014	0	0	9,014	8,628	96	18,028	8,628	48
iv. Counterpart Fund	12,204	3,051	0	0	3,051	0	0	6,102	0	0
v. Special Expenditure	8,018	2,005	1,653	82	2,005	3,339	167	4,009	4,992	125
vi. Special Expenditure (Others)	1,000	250	0	0	250	0	0	500	0	0
vi. Risk Retention Fund	100	25	0	0	25	0	0	50	0	0
vii. Staff Housing Fund	100	25	0	0	25	0	0	50	0	0
viii. Contingency Reserve	7,117	1,779	0	0	1,779	0	0	3,559	0	0
N. REPAYMENTS	185,699	46,425	34,421	74	46,425	20,899	45	92,850	55,320	60
i. External Loans (Principal Repayments)	11,704	2,926	2,626	90	2,926	2,960	101	5,852	5,586	95
ii. Internal Loan (Principal Repayments)	37,520	9,380	6,350	68	9,380	2,389	25	18,760	8,738	47
iii. Bond Issuance Repayment	41,910	10,478	0	0	10,478	0	0	20,955	0	0
iv. Consolidated Service Account	94,565	23,641	25,445	108	23,641	15,551	66	47,283	40,996	87
O. TOTAL EXPENDITURE BUDGET SIZE	1,168,562	292,141	156,254	53	292,141	178,584	61	584,281	334,838	57
P. FINANCING SURPLUS /(DEFICIT)	(97533)	(24,383)	139,220	571	-24,383	(41,428)	170	(48,767)	97,792	201
Q. DEFICIT FUNDING SOURCES	97,544	24,386	0	0	24,386	0	0	48,772	0	0
a. External Loans (i+ii)	34,533	8,633	0	0	8,633	0	0	17,267	0	0
i. External Loan	34,533	0	0	0	0	0	0	0	0	0
ii. Internal Loans	63,000	15,750	0	0	15,750	0	0	31,500	0	0



BUDGET PERFORMANCE SUMMARY (CAPEX AND FINANCING)

FUNCTION GROUP	2020 APPROVED BUDGET (₺'MN)	Q1			Q2			YTD (CUMULATIVE)		
		BUDGET JAN - MARCH (₺'MN)	ACTUAL JAN - MARCH (₺'MN)	PERF. (%)	BUDGET APR - JUNE (₺'MN)	ACTUAL APR - JUNE (₺'MN)	PERF. (%)	BUDGET JAN - JUNE (₺'MN)	ACTUAL JAN - JUNE (₺'MN)	PERF. (%)
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M. CAPITAL EXPENDITURE	525,334	131,334	33,849	26	131,334	81,242	62	262,667	115,091	44
i. Core Capital Expenditure	439,505	109,876	30,998	28	109,876	65,896	60	219,753	96,893	44
ii. Capital Development (Dedicated)	21,234	5,309	1,198	23	5,309	3,379	64	10,617	4,577	43
iii. Grants	36,056	9,014	0	0	9,014	8,628	96	18,028	8,628	48
iv. Counterpart Fund	12,204	3,051	0	0	3,051	0	0	6,102	0	0
v. Special Expenditure	8,018	2,005	1,653	82	2,005	3,339	167	4,009	4,992	125
vi. Special Expenditure (Others)	1,000	250	0	0	250	0	0	500	0	0
vi. Risk Retention Fund	100	25	0	0	25	0	0	50	0	0
vii. Staff Housing Fund	100	25	0	0	25	0	0	50	0	0
viii. Contingency Reserve	7,117	1,779	0	0	1,779	0	0	3,559	0	0
N. REPAYMENTS	185,699	46,425	34,421	74	46,425	20,899	45	92,850	55,320	60
i. External Loans (Principal Repayments)	11,704	2,926	2,626	90	2,926	2,960	101	5,852	5,586	95
ii. Internal Loan (Principal Repayments)	37,520	9,380	6,350	68	9,380	2,389	25	18,760	8,738	47
iii. Bond Issuance Repayment	41,910	10,478	0	0	10,478	0	0	20,955	0	0
iv. Consolidated Service Account	94,565	23,641	25,445	108	23,641	15,551	66	47,283	40,996	87
O. TOTAL EXPENDITURE BUDGET SIZE	1,168,562	292,141	156,254	53	292,141	178,584	61	584,281	334,838	57
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Q. DEFICIT FUNDING SOURCES	97,544	24,386	0	0	24,386	0	0	48,772	0	0
a. External Loans (i+ii)	34,533	8,633	0	0	8,633	0	0	17,267	0	0
i. External Loan	34,533	0	0	0	0	0	0	0	0	0
ii. Internal Loans	63,000	15,750	0	0	15,750	0	0	31,500	0	0

MONITORING AND EVALUATION

UPDATE ON Y2020 ON-GOING PROJECTS - OBSERVATIONS & RECOMMENDATIONS ..1/3



MULTI AGENCY BUILDING, ALAUSA, IKEJA



3 House of Assembly, Oregun, Ikeja, Nigeria

NAME OF CONTRACTOR : PALMYRA CONSTRUCTION NIGERIA LIMITED.

DATE OF AWARD: 5TH JUNE, 2012.

DURATION OF CONTRACT: 3 YEARS.

EXPECTED COMPLETION DATE : JUNE, 2015

REVISED CONTRACT SUM: ₦12,071,437,295.10k

(FOR PHASE I, II & III)

ADVANCE PAYMENT: ₦1,066,400,000.00k

PERCENTAGE OF WORK DONE: 56%

PREVIOUS PAYMENT : ₦ 1, 841,427,183.73k

- ▶ PROJECT COMMENCED SINCE Y2012
- ▶ PROJECT BEHIND SCHEDULE BY 5-YEARS.
- ▶ IN ORDER FOR THE PROJECT TO BE COMPLETED ON TIME, THE PACE OF WORK SHOULD BE ACCELERATED.
- ▶ THE PROJECT WHEN COMPLETED WILL SAVE LASG FROM COST OF RENTING OFFICES SPACE, PROMOTES INTER-AGENCIES RELATIONSHIP IN SERVICE DELIVERY AS WELL AS PROVIDES CONDUCIVE WORKING ENVIRONMENT FOR EMPLOYEES WHICH WILL AID EMPLOYEES PRODUCTIVITY. ALSO, THE PARKING SPACES IN THE BUILDING WILL REDUCE TRAFFIC GRIDLOCK WITHIN THE ALAUSA SECRETARIAT.
- ▶ NEED TO EXPEDITE ACTION ON THE PROJECT.



RENOVATION OF LAGOS REVENUE HOUSE



NAME OF CONTRACTOR: INTEGRATED PROJECTS LIMITED
DATE OF AWARD: 27TH NOVEMBER, 2017
EXPECTED TIME OF COMPLETION: AUGUST, 2018
CONTRACT SUM PHASE I: ₦1,410,000,000.00K
CONTRACT SUM PHASE II: ₦1,455,000,000.00K
ADVANCE PAYMENT 70%: ₦ 2,005,500,000.00K (PAID IN FULL FOR PHASE I & II)
PERCENTAGE OF WORK DONE: 55% EXCLUDING PHASE III (PHASE III IS YET TO BE AWARDED)
DURATION OF CONTRACT: 10 (TEN) MONTHS
PERCENTAGE OF PAYMENT: 70%

- ▶ PROJECT COMMENCED SINCE 2017
- ▶ THE PROJECT HAS EXCEEDED THE EXPECTED PERIOD OF COMPLETION AND CANNOT BE COMPLETED WITHIN THE STATED COMPLETION PERIOD OF 10 MONTHS
- ▶ THE CONTRACTOR HAS COLLECTED 70% OF THE CONTRACT SUM BUT DELIVERED 55% WORK.
- ▶ COMPLETION OF THE PROJECT IS CRITICAL TO REALISATION OF LIRS REVENUE TARGET.
- ▶ THIS WILL ENHANCE REVENUE GENERATION CAPACITY OF THE STATE.
- ▶ THE PHASE III SHOULD BE AWARDED FORTHWITH.



CONSTRUCTION OF PRECAST/PRE-STRESSED CONCRETE DUAL CARRIAGE FLYOVER AND RAMP AT PEN-CINEMA JUNCTION



NAME OF CONTRACTOR: HITECH CONSTRUCTION COMPANY LIMITED.

DATE OF AWARD: 4TH JANUARY, 2018.

DURATION OF CONTRACT: 12 MONTHS

EXPECTED TIME OF COMPLETION: JANUARY, 2019

CONTRACT SUM: ₦24,143,801,789.39k

ADVANCE PAYMENT: ₦4,828,760,357.88k

PERCENTAGE OF WORK DONE: 50%

PAYMENT TO DATE: ₦10,181,783,268.89k

PERCENTAGE OF PAYMENT: 42%

- ▶ PROJECT STARTED IN 2018
- ▶ THE PROJECT WHEN COMPLETED WILL IMPROVED ROAD CONNECTIVITY AND REDUCE TRAVEL TIME WITHIN AND AROUND THE AREA
- ▶ THE COMPLETION OF THE PROJECT WILL ALSO BOOST ECONOMIC ACTIVITIES IN THE AXIS AND REMOVE TRAFFIC CONGESTION IN THAT AREA
- ▶ THE PACE OF WORK SHOULD BE ACCELERATED.
- ▶ PRIORITY SHOULD BE GIVEN TO THE FUNDING TO ENSURE TIMELY DELIVERY OF THE PROJECT

LESSONS LEARNT



ISSUES

MDAS ABUSE THE USE OF ADVANCE PAYMENT GUARANTEE THROUGH THE USE OF AMORTISATION

SOME STRATEGIC PROJECTS THAT ENHANCE THE ECONOMIC DEVELOPMENT HAVE EXCEEDED THEIR COMPLETION PERIOD BECAUSE THEY WERE NOT PRIORITISED IN TERMS OF FUNDING

IN SOME CASES IT WAS NOTICED THAT DRAINS OF EXISTING ROADS ARE NOT CONNECTING TO THE DRAINS OF THE PROPOSED ROAD

RECOMMENDATION

AMORTISATION SHOULD ONLY BE ALLOWED ON STRATEGIC PROJECTS ENDORSED BY THE HONOURABLE COMMISSIONER MINISTRY OF ECONOMIC PLANNING AND BUDGET

PRIORITY SHOULD BE GIVEN IN TERMS OF FUNDING TO STRATEGIC PROJECTS THAT AIDS ECONOMIC DEVELOPMENT OF THE STATE

MINISTRY OF ENVIRONMENT AND WATER RESOURCES (OFFICE OF DRAINAGE SERVICES) SHOULD BE CONTACTED AT THE COMMENCEMENT OF SUCH PROJECTS.