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# 2022 BUDGET

BUDGET OF SUSTAINABLE GROWTH



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# KADUNA STATE



**KADUNA STATE**  
PLANNING AND BUDGET  
COMMISSION



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# WHAT IS A BUDGET

A Budget is like a plan; it shows what the government is expecting as income (popularly called revenue) and what the government plans to spend the money on, which is called expenditure.

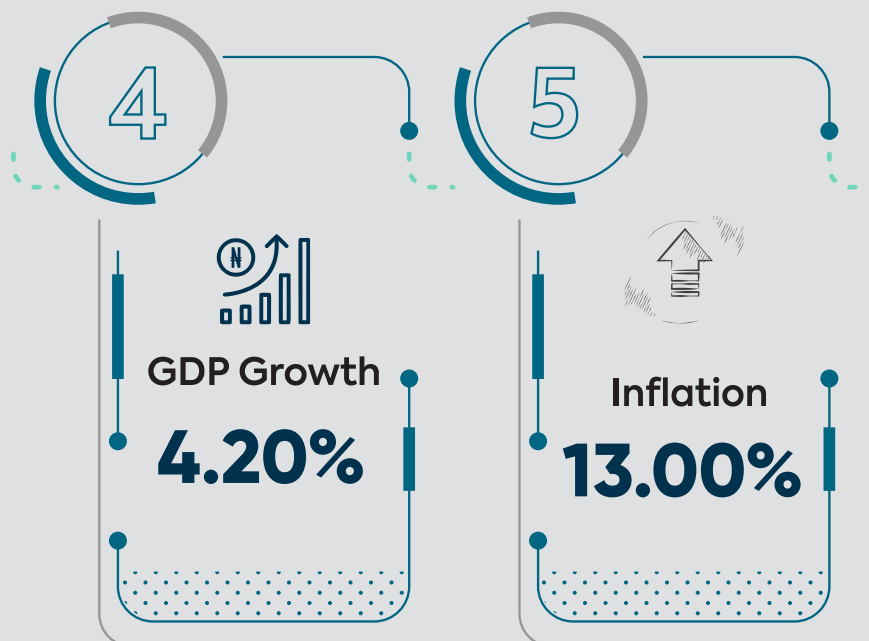
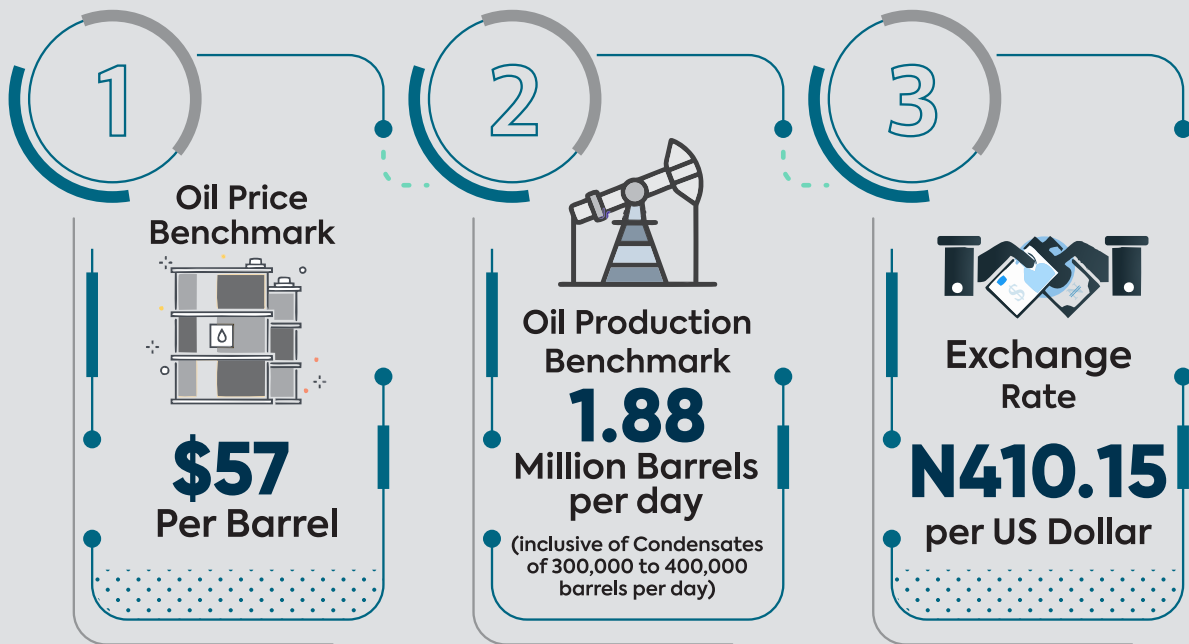
A Budget is a document which also has details about how the government plans to spend your money. This money maybe your personal share of Nigeria's wealth which the Government has collected on your behalf; e.g revenue, or your contribution, which you pay as tax to the government. The Budget also contains other details; for instance, it will show whether the government intends to save or borrow money within the specified year.

Local Governments, State governments and the Federal government all have Budgets. The Budget document is called an Appropriation Act. Appropriation is the legal authority granted to the Government to spend your money on your behalf. This is done by the Legislature – the National Assembly or State Houses of Assembly.

When you vote for anyone in an election, you are simply giving the person the legal authority to approve and spend money on your behalf.



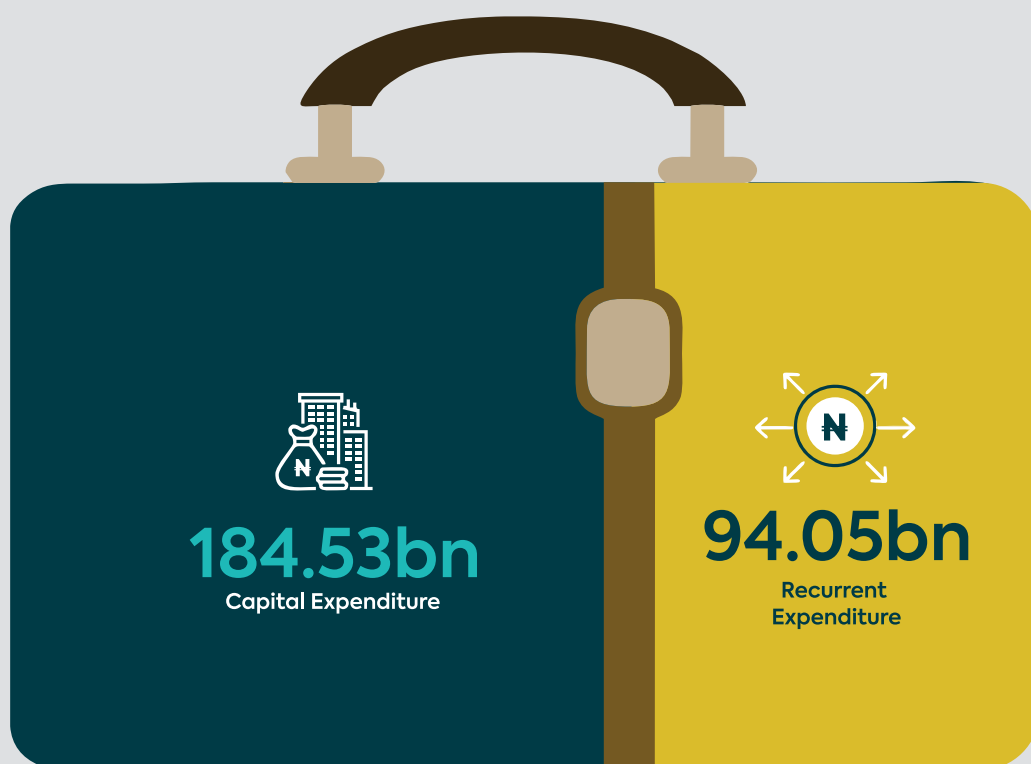
# MACRO-ECONOMIC ASSUMPTIONS



# WHERE WILL THE MONEY GO?

Budget Size

N278.58bn



66%

## Capital Expenditure

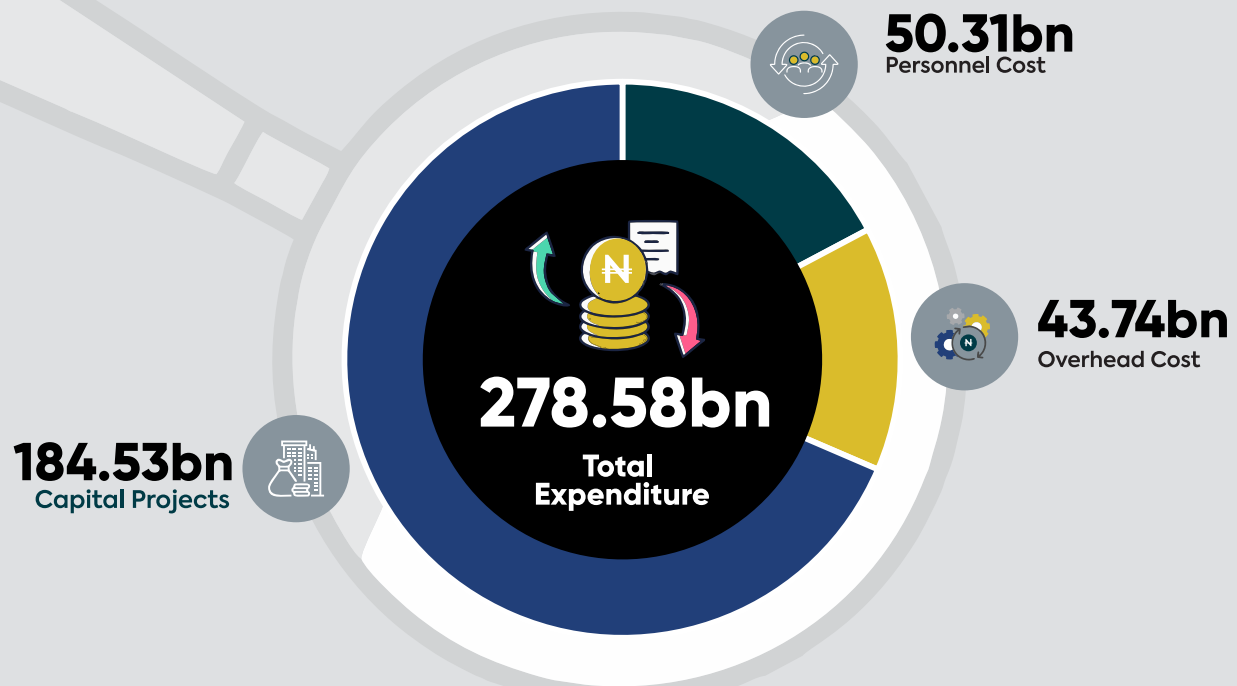
This is the amount that will be used on projects like building of schools, hospitals, construction of roads etc. of cars

34%

## Recurrent Expenditure

This includes payment for wages and salaries, electricity bills, purchase of diesel, etc

# FISCAL FRAMEWORK

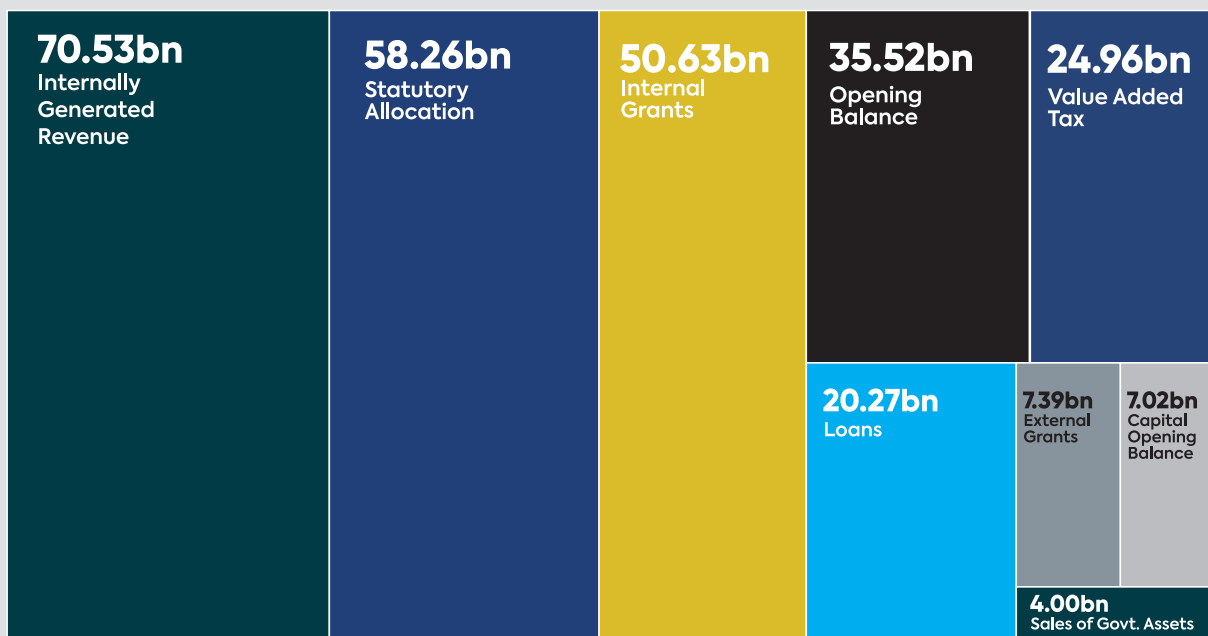


Expenditure is how the Government plans to spend the money it will make.  
Again, this money is being spent on your behalf.  
Expenditure has two parts: Recurrent and Capital Expenditure.

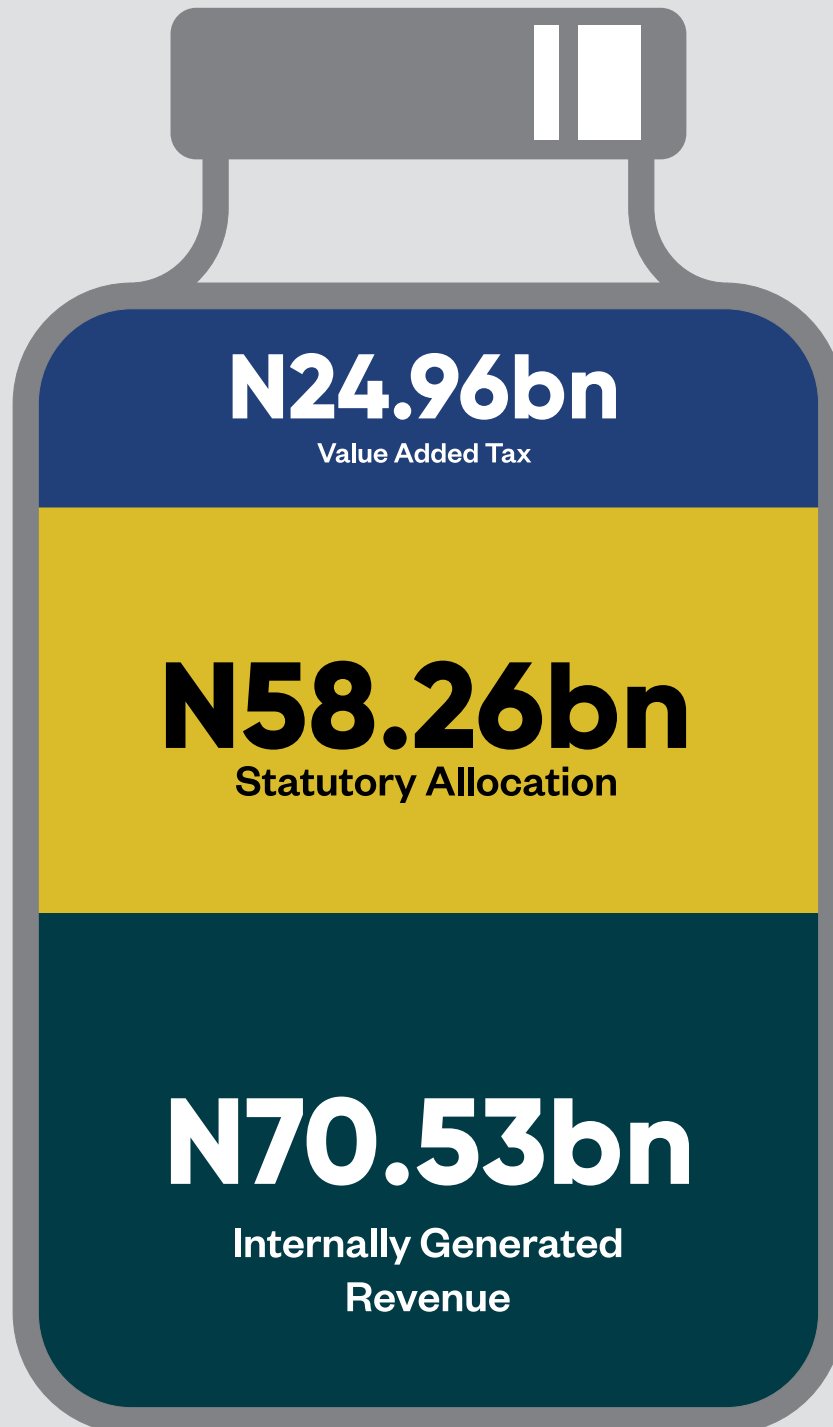
## Total Revenue

# N278.58bn

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



## REVENUE



# GRANTS

**N7.39bn**

External Grants

**N58.03bn**

Total Grants

**N50.63bn**

Internal Grants



## GRANTS

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

## PREVIOUS SAVINGS

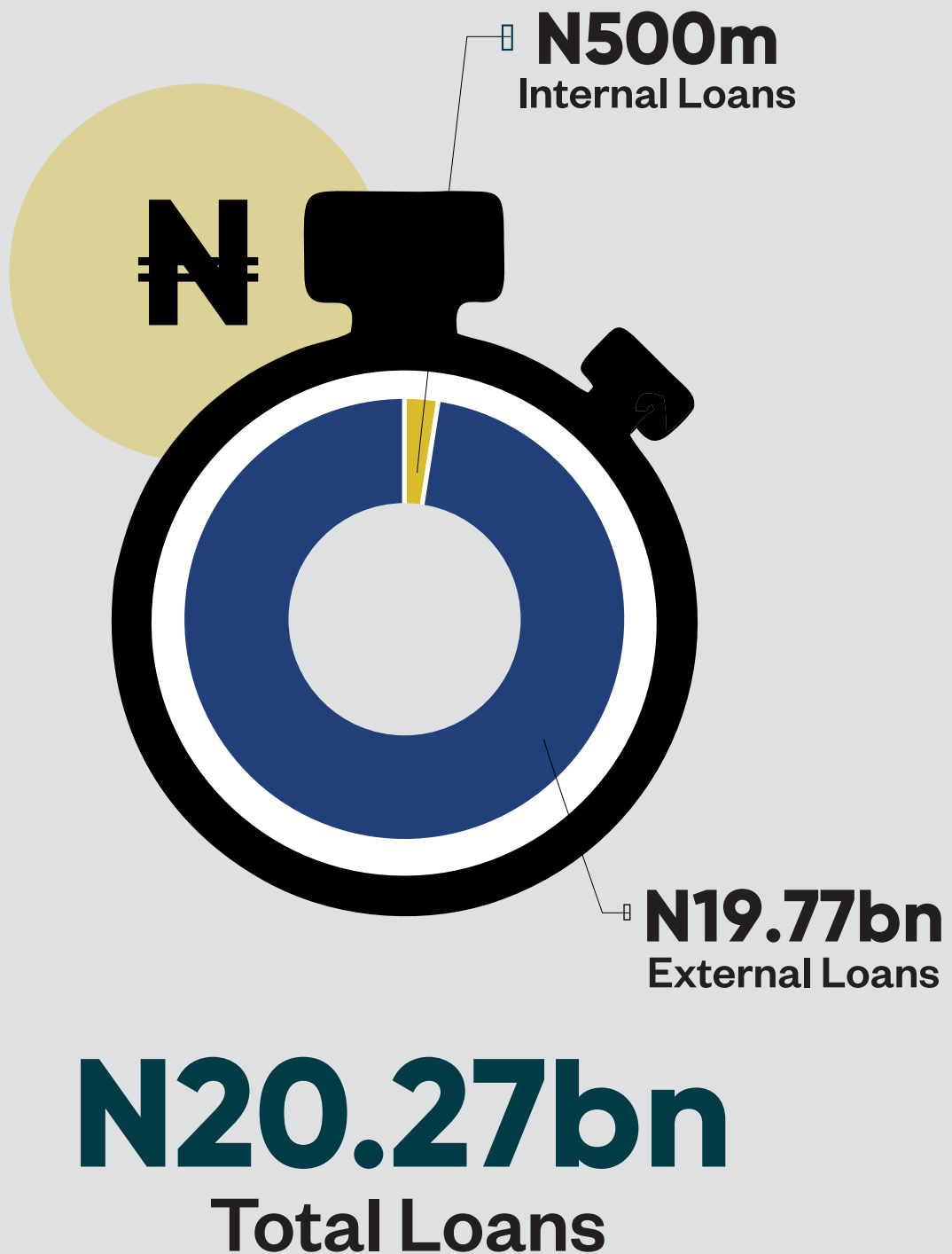
The amount of money in a Government's account that is brought forward at the start of a fiscal year.

### Opening Balance



# N35.52bn

## LOANS



## REVENUE TARGET

**N58.26bn**

Statutory  
Allocation

2

**N70.53bn**

Internally Generated  
Revenue

3

1

**N24.96bn**

Value Added Tax

# HOW WILL GOVERNMENT SOURCE THE LOANS?



## Internal Loans



# HOW WILL GOVERNMENT SOURCE THE LOANS?



## N19.77bn

### External Loans

**N7.41bn**

Construction and  
Equipping of 300-Bed  
Specialist Hospital  
Project (IsDB)

**N4bn**

Zaria Water Supply  
and Expansion Project  
IsDB.

**N3.79bn**

World Bank Nigeria  
CARES Program

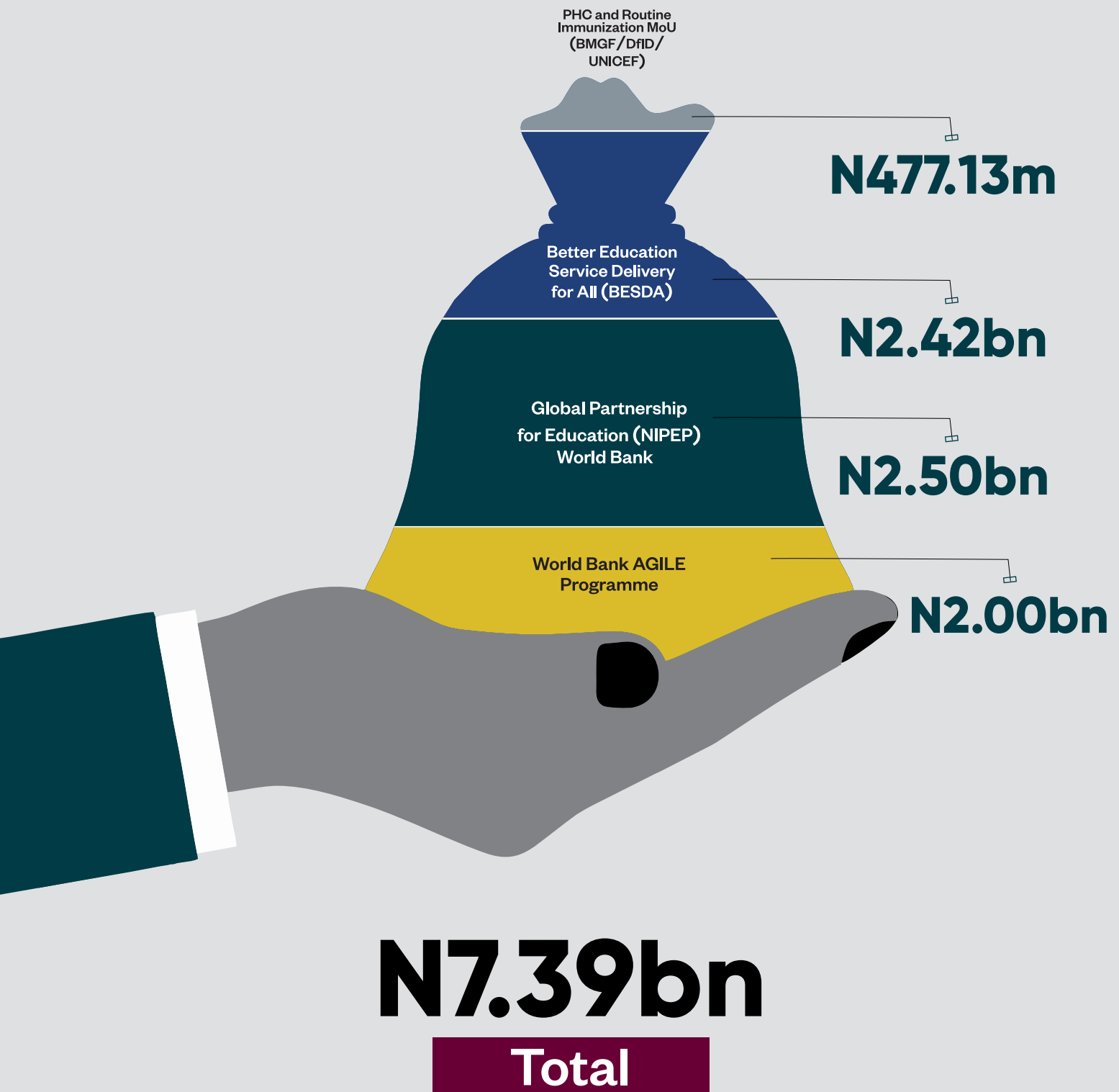
**N2.61bn**

Kaduna State Power  
Supply Company  
Exim Bank India

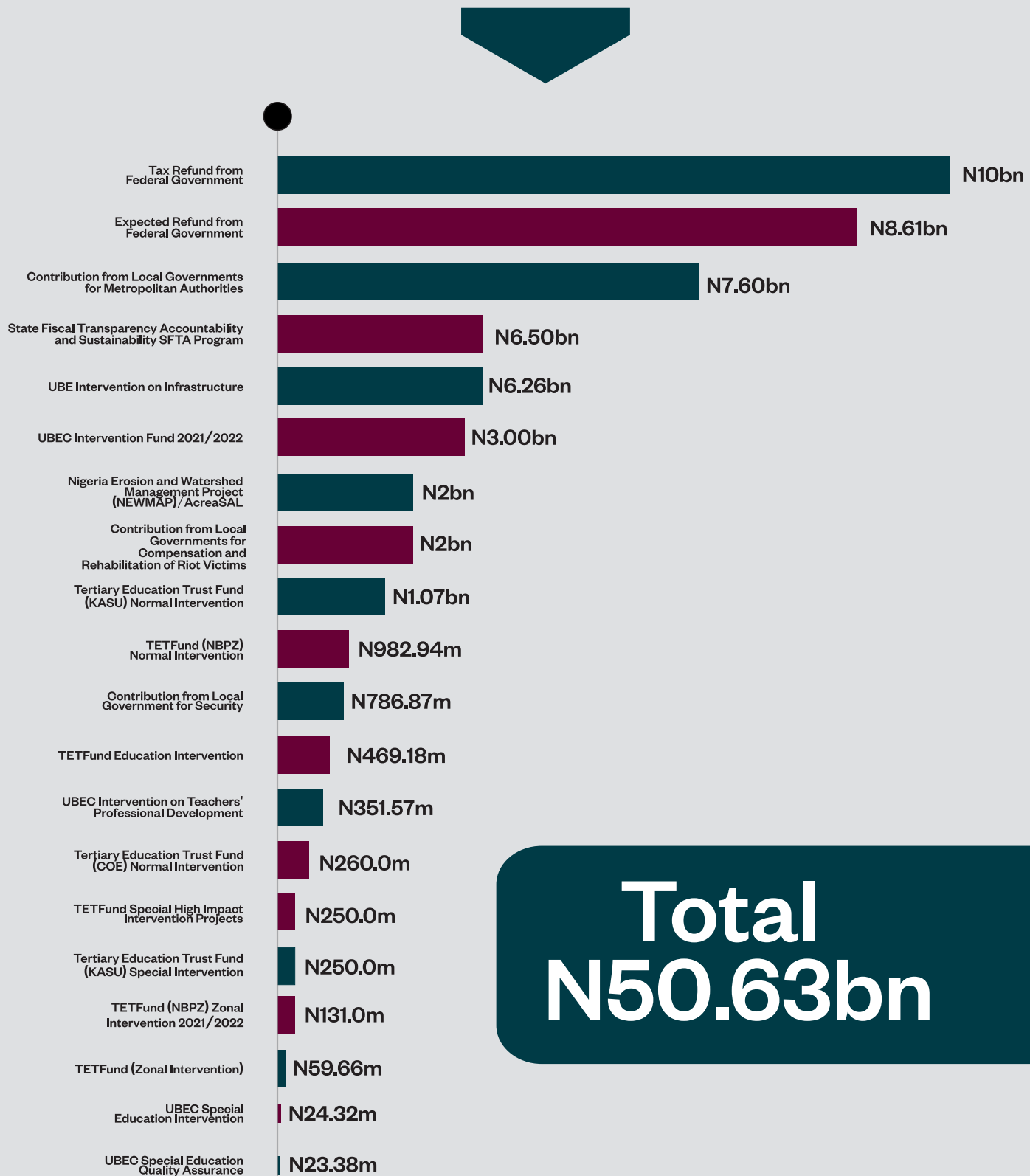
**N1.95bn**

Sustainable Urban- Rural Water,  
Sanitation and Hygiene (SURWASH)  
across the state

## External Grants



# Internal Grants Breakdown



## 2022 Spending Plan

Total  
**N278.58bn**



**43.74bn**  
Overhead Cost



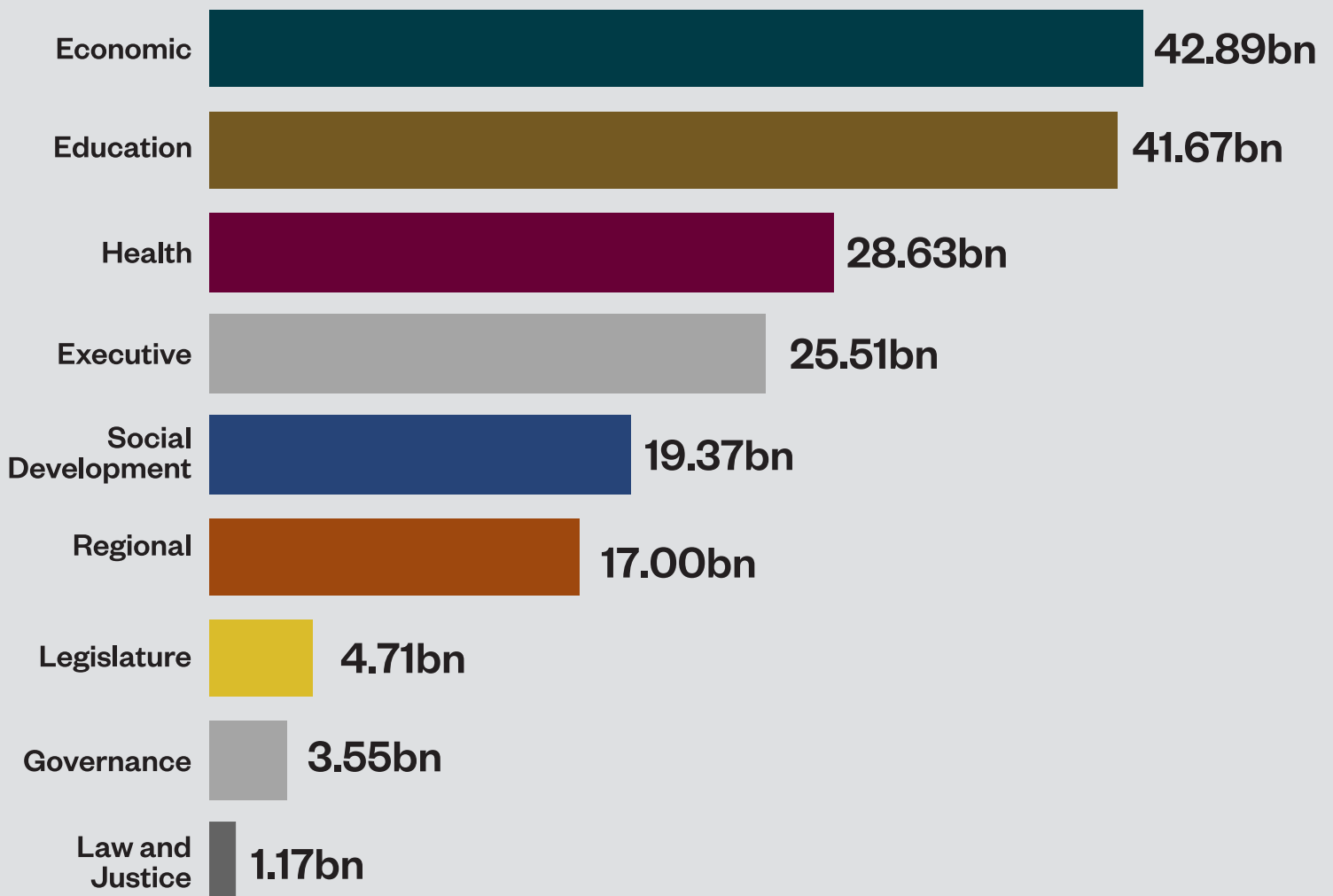
**50.31bn**  
Personnel Cost



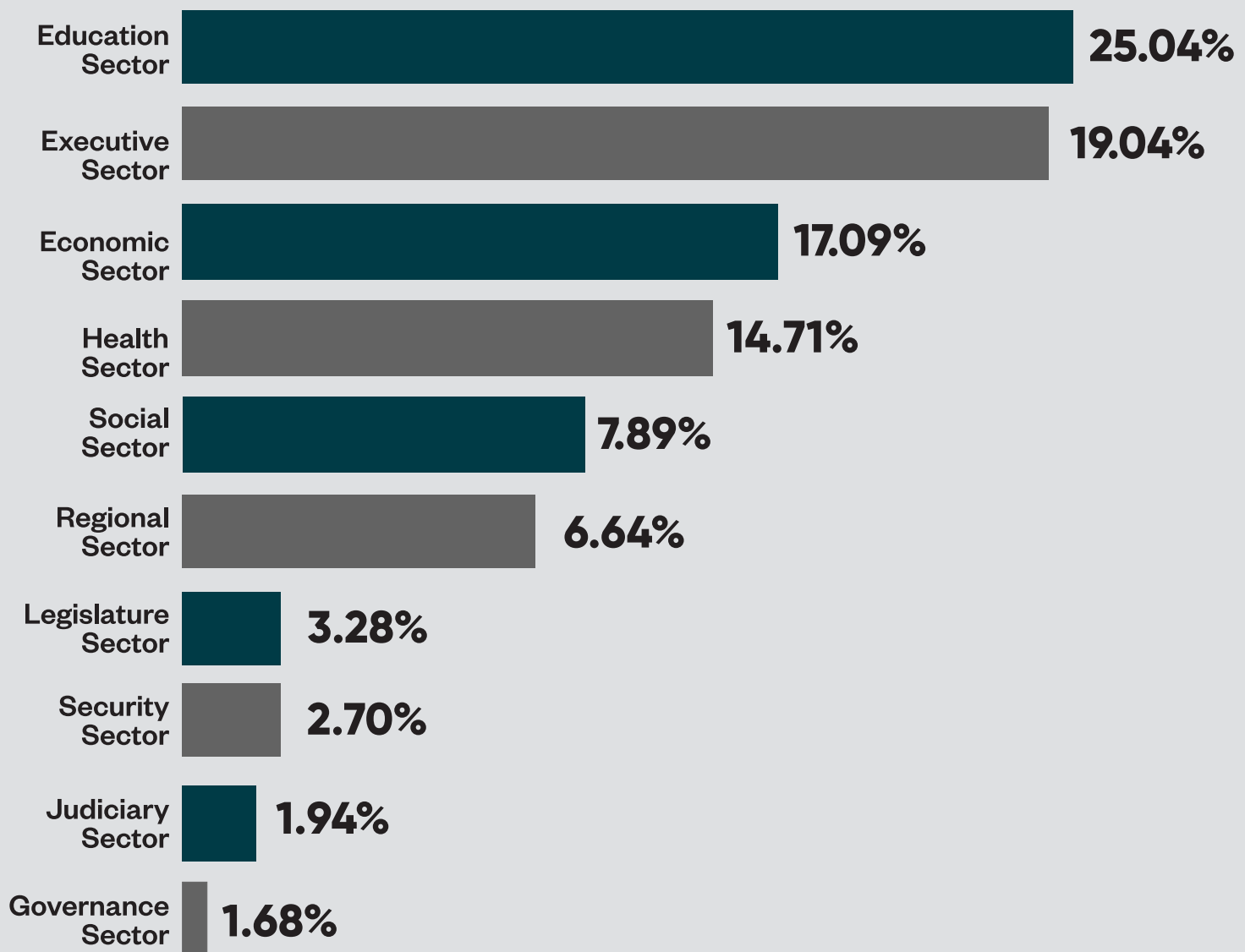
**184.53bn**  
Capital Projects

## SUMMARY OF CAPITAL EXPENDITURE BY MDAs

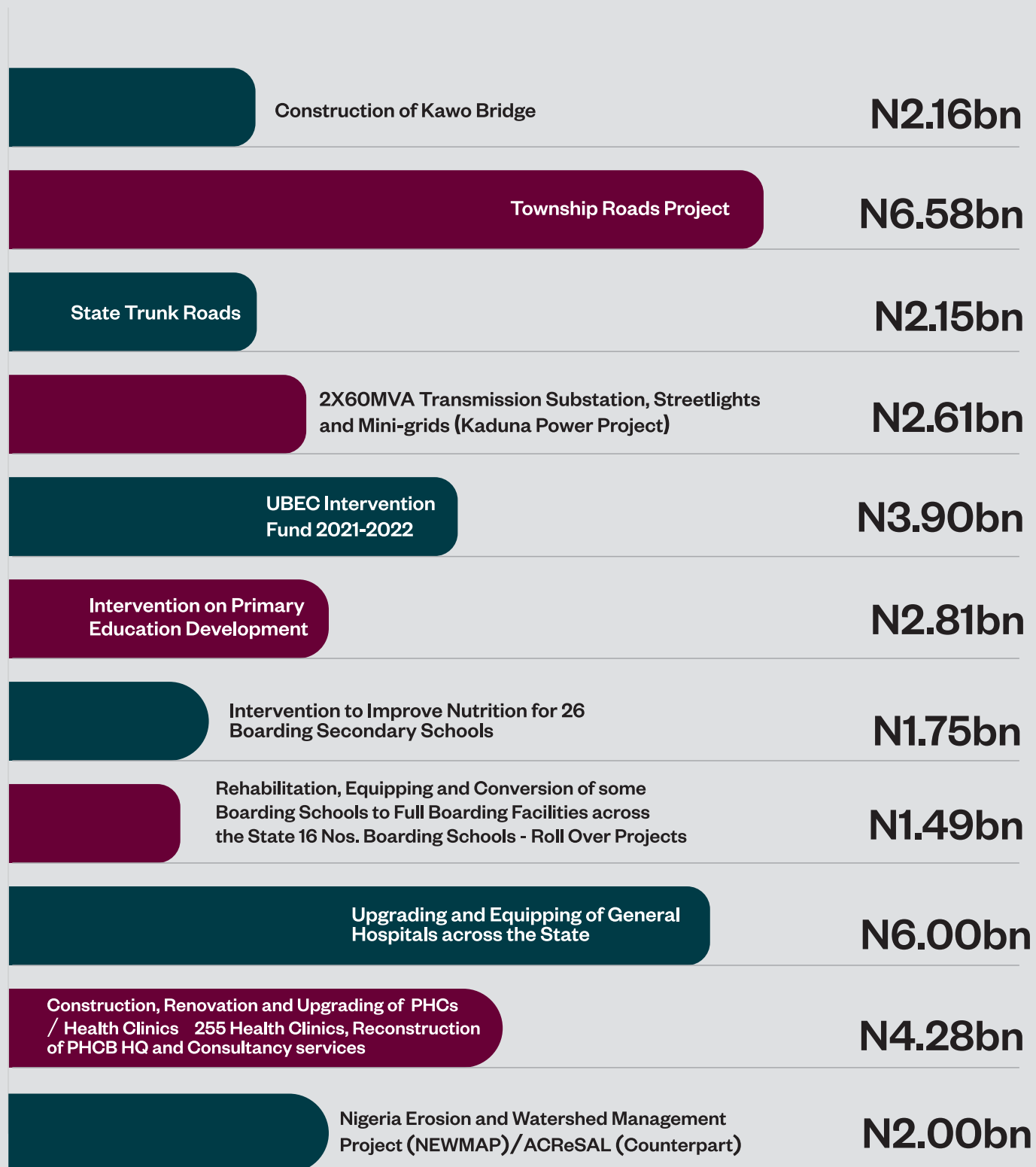
# N184.53bn



## SECTORAL AND MDAs PERCENTAGES OF ALLOCATION



## TOP CAPITAL PROJECTS





**Nasir Ahmad El-Rufai, OFR**  
Governor of Kaduna State

# GOVERNOR'S SPEECH

Address by Malam Nasir El-Rufai, Governor of Kaduna State, at the presentation of the State's 2022 Draft Estimates of Revenues and Expenditure to the Kaduna State House of Assembly, held at the Lugard Hall, Kaduna, on Tuesday, 12th October 2021

## PROTOCOLS

The Deputy Governor,  
The Right Honourable Speaker,  
Principal Officers of the Kaduna State House of Assembly  
Honourable Members of the Kaduna State House of Assembly  
The Chairman, APC Kaduna State Chapter  
Members of the Kaduna State Executive Council  
Permanent Secretaries, Clerk of the House and  
Gentlemen of the Press  
Ladies and Gentlemen,

1. I am delighted to present the 2022 Draft Estimates of Revenue and Expenditure of the Kaduna State Government. This is the seventh time that this honourable House has accorded us this privilege. It is a poignant moment, marking the penultimate time it will be my duty to present the state budget. As we firmly embark on the closing stages of our stewardship to the people of Kaduna State, I wish to acknowledge and appreciate once again the productive partnership the Kaduna State House of Assembly and the Executive Branch have built in the service of our people since 2015.
2. Mr. Speaker, Right Honourable members, it is with your kind support that we have the necessary legislation to anchor our governance innovations. Enacting the Kaduna State Independent Electoral Commission (KADSIECOM) law has enabled our state to introduce a revolution in Nigeria by adopting electronic voting for the local government elections of September 2021 and May 2018. This is among the over 100 new laws enacted since 2015 to institutionalise reforms in public finances, procurement, taxation, child welfare and protection, investment promotion, scholarships, youth capacity building and residency, among others. The new laws also created a geographic information service and an internal revenue service.
3. This governance agenda is not based on a whim or some fancy theorising. It is rooted in deeply held values and rigorous assessment of what is required to build a good society, to empower our people and overcome the legacy of decades of neglect governance norms and failures in delivering public goods. Expressed in the Putting People First slogan, our governance agenda is anchored on the Restoration

Programme, the Kaduna State specific iteration of the APC manifesto.

4. In 2015, we committed ourselves to develop human capital by investing in education, healthcare and social welfare; institute a good governance system that is founded on a competent and responsive public service; foster security; maintain, rebuild and expand Infrastructure (including water supply, electricity and road networks) to accelerate economic growth that will create jobs, jobs and more jobs; promote agriculture and food security and reform land administration as a basis for wealth creation and capital formation, while preserving and enhancing environmental management.
5. From June 2015, we have deployed the annual budget as a fundamental policy tool for signalling change and in implementing change. We have enjoyed a strong partnership with this honourable House in this quest.
6. In the over six years that we have exercised responsibility for this state, we have kept faith with our manifesto and fashioned our governance agenda around it. Through various initiatives, we have expressed our commitment to promote equality of opportunity, accelerate human capital development, attain fiscal viability, and reduce inequality.
7. In June 2019, shortly after we commenced our second term, we launched the Urban Renewal Programme to modernise our three major cities. This is an unprecedented investment in urban infrastructure that is changing Kaduna, Kafanchan and Zaria. We have built, upgraded and expanded infrastructure in these cities as part of a coordinated effort to improve the economic competitiveness of our state and increase its appeal as a place to live, work and rest.
8. Without hiking tax rates, Kaduna State has become a top five state for internally generated revenue in Nigeria, collecting N50.7bn in taxes and levies in 2020. This is almost four times the N13bn that the state collected as IGR in 2015. We have increased school enrolment, made education free and compulsory for all children till they complete senior secondary school and launched a multicampus system for all our state owned tertiary institutions. We have reformed the scholarship system to reward merit and support the needy. We are implementing a more sustainable funding arrangement for tertiary education based on a partnership between the government, parents and students.

## How we are Putting People First

9. Mr. Speaker, Honourable Members, we have accomplished much in the service of our people across many sectors. I will highlight a few. 10. We have expanded access to Education, making the first 12 years of schooling free and compulsory. Apart from saving parents over N3bn yearly in fees by making basic education free till completion of SS3, we initiated a primary school feeding programme that was later taken over by the Federal Government. We continue to implement an extensive programme to renovate primary and secondary schools and supply them with furniture, water and sanitation facilities;
11. We recently recruited 7600 new teachers for secondary schools, in addition to the 2500 teachers of English, Mathematics and the sciences earlier recruited. We continue to monitor the performance of the 25,000 recruited in 2017 and 2018 to replace the 22,000 who failed the competency test.
12. We revamped the scholarship system, increased allowances to those entitled based on either merit or need. We also introduced a low-interest loan scheme to cater for those not qualified for scholarship, but wishing to finance their tertiary education.
13. In the Health sector, we continue to improve the primary health care system, with equipment and materials and the recruitment of healthcare personnel. Enrolment of citizens for universal health coverage through the State Contributory Health Insurance Scheme continues. Testing 5 capacity for Covid-19 has been sustained using a mix of PCR and GeneXpert machines.
14. Our investment in Social Welfare continues with funding of initiatives to support various demographics. We are funding several skills acquisition and entrepreneurship programmes for youths and women, including the Kaduna State Women Economic Empowerment Programme (KADSWEP) with N200 million low-interest microcredits targeting women entrepreneurs and vulnerable groups.
15. 5000 young graduates have been trained in entrepreneurship through the Kaduna Startup and Entrepreneurship Programme, KADSTEP. With our partners in the Bank of Industry and the Kaduna Business School, we have unveiled KADSTEP 2.0 which will focus on training in ICT skills. This reinforces initiatives like Click-On Kaduna which has enabled thousands of young people to learning to code and acquire other digital skills at our Kaduna ICT hub.
16. As mentioned earlier, the Urban Renewal Programme is a historic investment in the infrastructure of our three major cities. It is the most visible part of our Infrastructure efforts, including developing the longterm infrastructure masterplan and a blueprint

for the industrialisation of Kaduna State. The Urban Renewal Programme is improving infrastructure, transport connections and the liveability of our three main cities of Kaduna, Kafanchan and Zaria. The programme started with Kaduna, with new roads, expanded arterial roads, shopping malls and neighbourhood centres included. Some of our major roads have already benefitted from our solar street lighting programme, designed to light up Kaduna metropolis and help improve security.

17. Following the completion of the long-delayed phases 1 and 2 of the Zaria Water Expansion Project that now supplies potable water to Zaria and Sabon Gari Local Governments, the extension of the transmission and distribution pipelines Soba, Giwa and other neighbouring local government areas continues.
18. We are changing the face of markets through direct investments and in partnership with private companies. Vice President Yemi Osinbajo recently commissioned the new Kasuwan Magani market. The expansion and development of markets in continues Sabon Gari in Sabon Gari LG, Dan Magaji in Zaria LG, and Kasuwar Barci in Kaduna South Local Government. Most of the real traders in the Abubakar Gumi Central Market in Kaduna have bought their shops as part of our programme to expand wealth creation through property ownership.
19. For safety on the highways, we have completed and opened the trailer park in Marraraban Jos. This has reduced gridlock on the Kaduna-Zaria Road. We are working to ensure the completion of Trailer Parks at Tafa in Kagarko Local Government and near Olam in Chikun local government area.
20. Reforms in Governance have empowered our MDAs to strengthen their capacity for results delivery. Our tax agency has quadrupled the collection of internally generated revenue in five years. Through the effort of the Kaduna State Geographic Information Service (KADGIS), we have signed more than 50,000 certificates of occupancy in four years.
21. This government has recorded the highest levels of budget performance in the history of the state, injecting the largest ever capital investment in the history of the state. In 2019, Kaduna State achieved 97.5% budget performance for capital expenditure, spending N148.57bn of the N152.33bn budgeted. This is more than twice the erstwhile record of capital spending of over N62bn in 2016.
22. We have paid almost the entire N14bn arrears of gratuity and death benefit we inherited from 2010. We are faithfully implementing the contributory pension scheme and paying retirees on defined benefits even as we raised minimum monthly pension to N30,000.

23. While implementing governance reforms, we have also focused on maintaining our credentials as one of the foremost investment destinations in Nigeria, attracting \$2.8bn in investments and pledges. We recently hosted the sixth edition of the Kaduna Economic and Investment Summit, KADInvest. This concluded with the commissioning of the tomato processing plant of Tomato Jos, one of the investors in the agriculture sector in our state. We are looking forward to the commissioning early in 2022 of the Gujeni iron and steel plant of the African Natural Resources and Mines in Kagarko LGA. We also expect the Dangote-Peugeot vehicle assembly project and the OCP fertiliser plant located along the Kaduna-Abuja Road to come on stream.
24. Work is progressing well on the roads, bridges and other infrastructure required for the Damau Milk Farm project, a collaboration between our state, the Central Bank of Nigeria and Arla, the European dairy giant. This is a ranching project, designed to help transform and modernise 8 livestock production in Kaduna State, by sedentarising farmers and involving them in a commercially viable animal husbandry business.

### **The proposed 2022 Budget of Sustainable Growth**

25. The uncertainties unleashed by the Covid-19 pandemic make it even more important to embrace fiscal realism. As a subnational, our economic parameters are aligned with the Federal Government of Nigeria's which assumes an oil price benchmark of 57 US Dollars per barrel; daily oil production estimate of 1.88 million barrels, exchange rate of 410.15 per US Dollar; projected GDP growth rate of 4.2 percent and 13 percent inflation rate.
26. Taking into account these economic parameters, the draft 2022 estimates are based on the following considerations: i. Limiting the size of the budget strictly in conformity with realizable revenues in the light of a post COVID-19 economy. ii. Providing funds for projects from start to finish, while taking into cognizance ongoing projects and inherited capital liabilities. iii. Maintaining the minimum budgeting baseline model of 60:40 ratio of capital to recurrent. iv. Education and Health sectors holding a minimum of 26% and 15% of the total proposed budget respectively.
27. The government will strictly adhere to these targets, giving close attention to priority projects, strengthening expenditure control measures, and seeking ways to significantly expand internally generated revenue collection.

### **Summary of the 2022 Draft Revenue and Expenditure Estimates**

28. The draft 2022 budget acknowledges the continuing uncertainty caused by Covid-19 and the varying degrees of economic recovery across the world, two factors with

significant consequences for export earnings and business confidence. Therefore, we are proposing a budget size of N233bn in 2022, with the capital component at N146bn and recurrent expenses of N87.6bn. The 2022 budget, when approved, is projected to have a record capital to recurrent ratio of 63%:37%. The 2022 estimates are slightly smaller than the proposed 2021 budget estimates of N237.52bn, of which N157.56bn was capital and N79.96bn recurrent expenditure, a 66% to 34% capital to recurrent ratio.

29. Most of the capital spending will be in the Economic and Social Sectors, in keeping faith with our stated governance agenda. We propose to devote 76.8% of the capital budget to schools, hospitals, and infrastructure, including housing. Capital spending on Education is N68.4bn (29%) and for Health N35.1bn (15%).
30. Mr. Speaker, Honourable Members, permit me to present the detailed summary of the recurrent and capital allocations, and to outline the proposed allocation to each sector:

## 31. GENERAL SUMMARY

The summary of the 2022 – 2024 Draft Revenue and Expenditure Estimates as follows:

### 1. Recurrent Revenue Projections 2022 of N146,408,640,343.67

1.	Opening Balance	N24,450,000,000.00
2.	Internally Generated Revenue	N 67,267,465,873.67
3.	Statutory Allocation from Federation Account	N 54,191,174,470.00
4.	Contributions for COVID-19 Response	N 500,000,000.00
		N146,408,640,343.67

### 2. Recurrent Expenditure Estimates 2022

1.	Personnel Cost	N44,653,466,906.47
2.	Overhead Cost	N 31,705,684,158.87
3.	Public Debt Charges	N 6,200,000,000.00
4.	10% to Local Government Joint Council	N 5,016,269,047.66
<b>TOTAL RECURRENT EXPENDITURE</b>		N87,575,420,113.00
<b>NET RECURRENT REVENUE</b>		N58,833,220,230.67

**3. Transfer to Capital Budget**

Recurrent Revenue	<b>N146,408,640,343.67</b>
Less Recurrent Expenditure	<b>N 87,575,420,113.00</b>
Recurrent Budget Surplus	<b>N 58,833,220,230.67</b>

**4. Capital Accounts Funds 2022 Total Capital Budget: N146,097,619,642.88**

Opening Balance	N44,653,466,906.47
<b>Recurrent Budget Surplus</b>	<b>N 58,833,220,230.67</b>
Value Added Tax (VAT)	N24,955,552,583.00
Internal Loans and Credit	N100,000,000.00
Internal Grants	N 21,776,980,746.97
External Loans	N19,603,348,709.33
External Grants	N12,308,291,621.13
Sales of Government Assets	N 500,000,000.00
<b>TOTAL CAPITAL BUDGET</b>	<b>N146,097,619,642.88</b>

**5. Capital Expenditure Estimates 2022**

The sum of 146,097,619,642.88 has been allocated as Draft Capital Estimates across sectors as follows: -

<b>Sub-Sector: Economic</b>	<b>Proposed Estimates</b>
Agriculture	N1,796,277,164.41
Business, Innovation and Technology	N3,725,230,354.53
Housing and Urban Development	N9,347,379,072.06
Public Works and Infrastructure	N 36,973,505,543.12
<b>Total for Sub-Sector: Economic</b>	<b>N 51,842,392,134.12</b>
<b>Sub-Sector: Social</b>	
Education	N44,686,238,773.12
Health	N22,764,378,045.10
Social Development	N690,522,000.00
<b>Total for Sub-Sector: Social</b>	<b>N 68,141,138,818.22</b>

Sub-Sector: Regional	Proposed Estimates
Environment and Natural Resources	N2,986,195,031.17
Water	N4,994,433,881.76
<b>Total for Sub-Sector: Regional</b>	<b>N7,980,628,912.93</b>
<b>Sub-Sector: General Administration</b>	
Executive	N11,554,247,474.89
Governance	N2,964,500,840.01
Law and Justice	N287,948,802.71
Legislature	N3,326,762,660.00
<b>Total for Sub-Sector: Gen. Admin</b>	<b>N18,133,459,777.61</b>
<b>Grand Total</b>	<b>N146,097,619,642.88</b>

32. Mr. Speaker, Honourable Members, these figures show that the 2022 draft budget estimates express our political values and governance principles in the same consistent manner as our six previous budgets. Devoting N115bn to these critical sectors demonstrates continuity in our emphasis on Education and Health as the key drivers of human capital development, and on investments in Infrastructure as essentials to promoting economic competitiveness, support job creation and advance the well-being of our people.

### Legislative Agenda for 2022

33. Mr. Speaker, Honourable Members, you have kindly enacted many of the bills in our 2020/2021 legislative agenda into law. This includes the Traditional Institutions Law and the laws creating Metropolitan and Municipal Authorities to manage Kaduna, Kafanchan and Zaria as single, integrated and organic cities.
34. Some of the bills on the agenda are still being drafted. Therefore, in the remaining months of 2021 and in 2022, we shall be approaching the House with more bills to further strengthen governance in the state. The pending bills that we hope to transmit to the Kaduna State House of Assembly include:
- The Kaduna State Executive Council recently approved the State Social Protection Policy. This places us in a better position to propose a Social Protection Bill to domesticate the various social intervention programmes of the Federal Government and propose a statewide social safety net that will address the basic needs of our poorest and most vulnerable citizens.
  - Employment Promotion Bill that will establish a State Council of Economic Advisers to guide the government on measures to promote job creation, economic development and investment promotion.

- c. State Education Bill to re-enact our outdated education law, including updating the Universal Basic Education Law to repeal the 2005 law, and reflect lessons learnt in the implementation of the domestication of the UBE Act. This will enable the eventual elimination of the dysfunctional 'Out-of-School children' phenomenon in Kaduna State.
  - d. Family Court and Small Claims Court (Establishment) Bills, along with legislation to amend the District Court Law, and
  - e. Another very important bill for the enactment of a State Commercial Code to guide the conduct of commercial activities, encourage innovation and investment in our state.
35. Mr. Speaker, Honourable Members, it is my pleasure to now lay before this Honourable House the draft estimates of revenues and expenditure for the 2022 fiscal year, and the Appropriation Bill accompanying these, for your kind consideration.

Thank you for listening.

God Bless Kaduna State.

God Bless the Federal Republic of Nigeria.

**Nasir Ahmad El-Rufai, OFR**  
**Governor of Kaduna State**  
**12th October 2021**

