

**THE REPORT OF THE CONSULTATIVE MEETING WITH THE ORGANIZED PRIVATE SECTOR, TRADE UNION, PROFESSIONAL BODIES, CSOs & CBOs IN ONDO STATE ON 2024 -2026 MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) AND 2024 BUDGET HELD AT THE CONFERENCE HALL OF MINISTRY OF ECONOMIC PLANNING & BUDGET, ALAGBAKA, AKURE ON TUESDAY, 3RD OCTOBER, 2023.**

**1.0 INTRODUCTION**

1.1. In accordance with Section 22, Subsection 2 (a) and (b) of the Ondo State Fiscal Responsibility Law (FRL), (2017) which provides that public consultation be had with the citizens and their representatives with a view to harvesting their inputs into the State's MTEF which culminates into the yearly budget; a meeting with the Organized Private Sector, Trade Unions, Professional Bodies, Civil Society Organisations (CSOs) and Community Based Organisations (CBOs) in Ondo State on the 2024-2026 MTEF and 2024 budget preparation was held at the Conference Hall of the Ministry of Economic Planning & Budget, Akure on Tuesday, 3rd October, 2024. The meeting was presided over by the Permanent Secretary of the Ministry of Economic Planning & Budget, Mr. Bayo Philip.

**2.0. OBJECTIVES OF THE TOWN HALL MEETING**

2.1. The main objectives of the meeting were to:

- i. appraise the 2023 budget performance;
- ii. present the 2024 – 2026 MTEF which included the projections for 2024 budget; and
- iii. harvest the inputs of the representatives of Organized Private Sector, Trade Unions, Professional Bodies, CSOs & CBOs in Ondo State in order to include them in the 2024 budget.

**3.0. PARTICIPANTS**

1.2. The meeting had in attendance the Permanent Secretary of the Ministry of Economic Planning & Budget, Mr. Bayo Philip; Director of Budget, Mr. Aworere Stephen; Director of Finance & Administration, Prince Segun Akosile; Director of Accounts, Alhaji Maruf Akinkunmi; Director of Technical Assistance & Aid Coordination, Mr. Adebusoye Monday; Director of Monitoring and Evaluation, Alhaji Adekunle L. A; Deputy Director, PASS, Mrs. Ayeni, R. K., Deputy Director Budget, Mr. E. O. Apata and a host of other members of staff of the Ministry of Economic Planning and Budget.

3.1. Also, present at the meeting were the members of the Organized Private Sector, Trade Unions, Professional Bodies, CSOs & CBOs in Ondo State.

#### **4.0. OPENING REMARKS**

- 4.1. The Permanent Secretary of Ministry of Economic Planning and Budget, Mr. Bayo Philip, while presenting the opening remarks, appreciated the people of the State for always heeding the call to contribute to the progress of the State through the annual budget consultative meeting. He assured the people that their contributions would, as usual, be accommodated into the year 2024 budget.
- 4.2. While speaking on the much-awaited long-term plan for Ondo State, He informed the audience that Ondo State Governor has heeded the call to put in place a 30-year (2024-2054) development blueprint for the State. He added that contributions of the people, in all walks of life, were invited towards the preparation of the Plan, and that such expert advice, requests etc. could be forwarded to the Ministry through the following handles:
- i. E-mail: [feedback4ondodevt.plan@gmail.com](mailto:feedback4ondodevt.plan@gmail.com)
  - ii. Website: <https://mepbondostate.org/>
  - iii. Phone Call: (234) 704-585-1134
  - iv. WhatsApp: 0704-585-1134
- 4.3. Concluding his remarks, he enjoined all stakeholders to contribute meaningfully to the discussion of the meeting so as to have a robust, people-oriented 2024 budget.

#### **5.0. PRESENTATION ON 2023 MID-YEAR BUDGET PERFORMANCE AND 2024 – 2026 MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)**

- 5.1. In his presentation of the overview of the 2023 budget performance, Pastor Aworere explained both the revenue and expenditure performance of the 2023 Budget as at Mid-year. He stated that total revenue expected for the Mid-Year 2023 was ₦137.99 billion while the total revenue received for the period was ₦99.46 billion, recording a shortfall of about 28%. Out of the ₦99.46 billion paid into the government's treasury as at the mid-year of 2023, ₦82.84 billion had been expended on recurrent and capital outlay from the budget. The total debt repayment recorded as of June was ₦6.636 billion as against ₦7.039 billion expected to be paid within same period, while Statutory Transfers stood at ₦5.679 billion as against ₦9.036 billion expected within the same period; Other Recurrent Expenditure stood at ₦46.860 as against ₦48.845 expected for same period. Capital Expenditure for the same period was ₦23.663 as against ₦73.070 expected.

- 5.2. With respect to 2024-2026 MTEF, Pastor Aworere highlighted the macro-economic indices that were used for the projection of revenue for the medium term. The table below summarizes the macro-economic framework for the budget expectation for the years 2024-2026.

**Table I: 2024-2026 Macro-Economic Framework**

| Item                            | 2023    | 2024    | 2025    | 2026    |
|---------------------------------|---------|---------|---------|---------|
| National Inflation              | 17.16%  | 21.40%  | 20.30%  | 18.60%  |
| National Real GDP Growth        | 3.75%   | 3.76%   | 4.22%   | 4.78%   |
| Oil Production Benchmark (MBPD) | 1.720   | 1.780   | 1.670   | 1.580   |
| Oil Price Benchmark             | \$75.00 | \$77.96 | \$73.80 | \$69.90 |
| NGN:USD Exchange Rate           | 435.57  | 750.00  | 700,00  | 700.00  |

- 5.3. He explained that due to the programmes to cushion the effects of oil subsidy removal, of which new minimum wage for workers would be key, and the harmonization of the official and the parallel Exchange Rates, the budget size would be put at N250.41billion in 2024. He explained that the decrease in the estimated budget for the 2024 fiscal year from N275.98 billion for the current year 2023 was as a result of the expected reduction in revenue from crude oil occasioned by reduction in fossil fuel consumption in the world which is in turn blamed on climate change.
- 5.4. Speaking on the focus of the 2024 Budget, Pastor Aworere informed the audience that the 2024 Budget would focus mainly on mitigating the various social-economic challenges being faced by the residents of the State as a result of fuel subsidy removal, the harmonization of foreign exchange regime and the climate change and greenhouse effects (flooding, rainstorms, gully erosion, etc.). He submitted that priority attention would be given to Human Capital Development (Education, Healthcare, Social Safety Net, Youth Development) and Environment & Sewage Sector as well as the completion of major on-going capital projects.

5.5. The details of the 2024-2026 expenditure profile are as presented in the table below.

**Table II: 2024-2026 expenditure profile**

| ITEM                                    | 2023                   | 2024                      | 2025                   | 2026                   |
|---|------------------------|---------------------------|------------------------|------------------------|
| <b>RECURRENT EXPENDITURE</b>            |                        |                           |                        |                        |
| Salary & Wages                          | 45,905,653,000         | 62,546,031,420            | 63,171,491,734         | 65,066,636,486         |
| Overheads                               | 24,974,698,000         | 27,472,167,800            | 28,845,776,190         | 30,288,065,000         |
| Social Contribution and Social Benefits | 12,960,695,000         | 18,170,000,000            | 19,078,500,000         | 20,032,425,000         |
| Grants and Contributions                | 13,848,220,000         | 15,756,403,000            | 16,071,531,060         | 16,392,961,681         |
| Public Debt Charge                      | 14,078,140,122         | 15,635,829,655            | 15,668,703,149         | 15,652,336,295         |
| Transfer to Local Government            | 2,592,047,480          | 2,936,250,000             | 3,086,797,490          | 3,376,448,989          |
| Transfer to ODIRS                       | 6,080,148,520          | 7,137,500,000             | 7,599,966,147          | 8,489,745,261          |
| <b>TOTAL</b>                            | <b>120,439,602,122</b> | <b>149,654,181,875</b>    | <b>153,522,765,770</b> | <b>159,298,618,713</b> |
| <b>Transfer to OSOPADEC</b>             | <b>9,399,809,000</b>   | <b>12,209,684,750</b>     | <b>12,820,168,987</b>  | <b>13,461,177,437</b>  |
| <b>RESERVES</b>                         |                        |                           |                        |                        |
| Contingency Reserve                     | 0                      | 10,075,321,262            | 7,677,250,163          | 7,331,377,660          |
| Planning Reserve                        | 0                      | 7,750,924,725             | 8,082,607,970          | 8,630,029,766          |
| <b>TOTAL RESERVES</b>                   | <b>0</b>               | <b>17,826,245,987</b>     | <b>15,759,858,133</b>  | <b>15,961,407,426</b>  |
| <b>CAPITAL EXPENDITURE</b>              | <b>146,139,773,000</b> | <b>70,717,281,886</b>     | <b>48,192,474,509</b>  | <b>43,891,191,741</b>  |
| Discretionary Funds                     | 82,670,950,000         | 12,237,849,386            | 31,140,366,509         | 33,367,391,741         |
| Non-Discretionary Funds                 | 63,468,823,000         | 58,479,432,500            | 17,052,108,000         | 10,523,800,000         |
| <b>TOTAL BUDGET SIZE</b>                | <b>275,979,184,000</b> | <b>250,407,394,498.14</b> | <b>230,295,267,399</b> | <b>232,612,395,316</b> |

5.6. Highlighted also was the sectoral allocation of the fund, as shown in the table below

**Table III: 2024 SECTORAL CAPITAL ALLOCATION**

| NO. | Sector                            | ALLOCATION    | %    |
|-----|-----------------------------------|---------------|------|
| 1   | Administration of Justice         | 489,513,975   | 0.6% |
| 2   | Agricultural Development          | 4,718,084,939 | 5.7% |
| 3   | Education                         | 5,835,677,408 | 7.0% |
| 4   | Environment and Sewage Management | 5,590,920,420 | 6.7% |
| 5   | General Administration            | 673,081,716   | 0.8% |
| 6   | Health                            | 6,585,677,408 | 7.9% |

|    |                             |                |         |
|----|-----------------------------|----------------|---------|
| 7  | Information                 | 183,567,741    | 0.2%    |
| 8  | Infrastructural Development | 37,736,538,945 | 45.5%   |
| 9  | Legislative Administration  | 734,270,963    | 0.9%    |
| 10 | Public Finance              | 611,892,469    | 0.7%    |
| 11 | Regional Development        | 12,209,684,750 | 14.7%   |
| 12 | Community Development       | 6,823,784,939  | 8.2%    |
| 13 | Trade and Industry          | 734,270,963    | 0.9%    |
|    | TOTAL                       | 82,926,966,636 | 100.00% |

5.6. The Director, while concluding his presentation, itemized the challenges of the budget to include the effect of fuel subsidy removal, effects of floating of naira, insecurity and inadequacy of revenue.

## **6.0. KEYNOTE ADDRESS/SCORECARD PRESENTATION**

6.1. Mr. Bayo Philip, while presenting the keynote address, on behalf of the Honourable Commissioner for Economic Planning and Budget, Pastor Emmanuel Igbasan, welcomed all the participants to the annual event.

6.2. He commended Arakunrin for the life-impacting projects embarked upon since the inception of this administration. He reaffirmed the advantages of the meetings to people and government. He said the bottom-up approach to budgeting process and that the engagement was necessary to foster relationship between the Government and the people, and for the people to take ownership of the process of deploying our common patrimony.

6.3. Commenting on the issues raised at the last year's town hall meeting by the Youth Groups, Women Organizations and the Vulnerables, he mentioned that the People Living with Disability now enjoy half payment of Tuition at the State's Tertiary Institutions and that the free School Shuttle Buses were already on the road as

requested. Some other government achievements were reported to the people with pictorial evidences.

- 6.4. While concluding the address, he enjoined the participants to speak on what the government of Akeredolu had done in their areas and also make requests of what they want the government to do in the next fiscal year.

## **7.0. OBSERVATIONS/COMMENTS/REACTIONS FROM STAKEHOLDERS**

- 7.1. In reactions to the presentations, the participants appreciated the effort of the State Government for organizing the consultative meeting as a platform for them to air their views. They also applauded Mr. Governor for granting many of their requests presented at the last year's town hall meeting. Having exhaustively addressed most of their comments and reactions, the Permanent Secretary, Mr. Bayo Philip, noted the followings for necessary actions:

- i. That the debt profile of the State Government was getting towards the limit;
- ii. That food security had started declining in the State, hence the high food inflation;
- iii. That Agro-climatological department in the Ministry of Agriculture had not been functioning effectively;
- iv. That Civil Society Organizations were not allow to play an active role in the budget implementation;
- v. That the State's Technical Colleges were already moribund;
- vi. That artisans in the State were not properly engaged by government while executing its projects;
- vii. That schools in the State were beautiful but lacked appropriate learning activities due to shortages of teachers;

- viii. That agricultural practices in the State were still subsistence and not commercial due to lack of machineries;
- ix. That workers in the State were yet to benefit from the wage award of ₦35,000;
- x. That there was no transparency in the sharing of the palliatives in the State;
- xi. That some rural pupils had no books & uniforms with which to go to schools;
- xii. That the Private Sector in the State was not given much attention as the Public Sector in the State Budget;
- xiii. That Trade fair for local manufacturer and the MSMEs which used to come up yearly had become extinct in Ondo State;
- xiv. That moribund industries in the State should be resuscitated to provide employments for youths;
- xv. That efforts by key Stakeholders towards the exploration of Bitumen in the State, were not enough;
- xvi. That local manufacturers in the State were not been patronized by government of the State;
- xvii. That Micro-credit agency had many loan defaulters in the State because it failed to disburse the loans through Cooperative Society;
- xviii. That CSOs were not been invited to participate in the MTSS preparations;
- xix. That many road projects embarked upon by the government had low completion rate;
- xx. That yearly budget for Women in Agriculture was inadequate and at the same time not executed; and
- xxi. That Pupils in L. A. Primary School, Oke-Agunla, Akure North were without chairs to sit.

## **8.0 CONCLUSION**

8.1 The Permanent Secretary appreciated the participants for their contributions, comments and suggestions at the meeting. He promised that their requests would be made known to the appropriate Government's agency accordingly and that the

State Government under the leadership of Arakunrin Oluwarotimi Akeredolu, *SAN*, *CON*, would continue to hold trust for the people, service them and give them their desired expectations.



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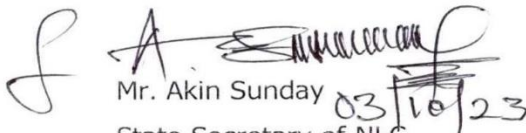
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