

**REPORT OF THE CONSULTATIVE MEETING WITH COALITION OF CIVIL SOCIETY ORGANIZATIONS, NON-GOVERNMENTAL ORGANIZATIONS AND COMMUNITY BASED ORGANIZATIONS IN ONDO STATE ON 2022-2024 MTEF AND 2022 BUDGET HELD IN THE CONFERENCE HALL, MINISTRY OF ECONOMIC PLANNING AND BUDGET ON TUESDAY, 10<sup>TH</sup> AUGUST, 2021.**

**1.0. INTRODUCTION**

According to Section 22, Subsection 2 (a) and (b) of the Ondo State Fiscal Responsibility Law (2017), the inputs of the Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs), Organised Private Bodies, the vulnerable, among others must be sought while preparing the State's Medium Term Expenditure Framework (MTEF), with a view to including them in the yearly budget. To this end, the Ministry of Economic Planning and Budget had a consultative meeting with the coalition of CSOs, NGOs and CBOs in the State on Tuesday, 10<sup>th</sup> August, 2021 in order to harvest their inputs into the State's Medium Term Expenditure Framework (MTEF) and then the 2022 budget.

**2.0. OBJECTIVES OF THE MEETING**

2.1. The main objectives of the meeting were as follows:

- i. Consulting on the macro-economic framework, the Fiscal strategy paper, the Revenue and Expenditure framework, the strategic, economic, social and development priorities of government; and
- ii. harvesting inputs from the CSOs, NGOs and CBOs in the State in order to include them in the 2022 budget.

**3.0. PARTICIPANTS**

3.1. The meeting which was under the chairmanship of the Acting Commissioner and Permanent Secretary, Ondo State Ministry of Economic Planning and Budget, Mr. Bunmi

Alade, had in attendance the Director, Development Planning, Mr. B. J. Daisi who welcomed the participants on behalf of the Permanent Secretary; the Director, Budget, Mr. Aworere Stephen; the Director, Finance and Admin, Mrs. Morayo Bayo-Philips; the Director, Monitoring and Evaluation, Alhaji Adekunle L. A.; the Director, Technical Assistance & Aid Coordination, Mr. Adebusey Monday; Also in attendance were the Deputy-Directors of the Ministry of Economic Planning and Budget as well as a host of other members of staff of the Ministry. The representatives of the CSOs, NGOs and CBOs were high in number at the meeting. The list of the participants is as attached.

#### **4.0. WELCOME ADDRESS**

4.1 The Director, Development Planning, Mr. B. J. Daisi, welcomed the participants to the meeting. In his address, he noted that the parley heralded the series of consultative meetings that the State usually had with stakeholders during the preparation of the annual budget. He revealed that the thrust of the meeting was to harvest the input of the CSOs and NGOs, who he described as partners in progress with the State, into the 2022 Budget. He concluded the address by assuring the participants that their ideas and views would be accommodated, as usual, into the 2022 annual Budget.

#### **5.0. PRESENTATION ON 2021 BUDGET PERFORMANCE – SCORE CARD**

5.1. Speaking on the 2021 Mid-year Budget performance, the Permanent Secretary, Mr. Bunmi Alade, pointed out that Budget was a key policy instrument for allocating public resources among competing socio-economic needs thus, involvement of stakeholders in crafting the Budget could not be overemphasized. He added that the Ondo State Budget processes had been undergoing improvement in recent times, in terms of preparation, implementation, monitoring and appraisal. As a result

of this development, the State had been consecutively qualified in accessing the State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (PFR) grants since 2018. He joyfully announced that Ondo State was ranked the second best position on Budgeting processes in the nation for the year 2021. He reiterated the commitment of the present administration, under the leadership of Arakunrin Oluwarotimi Odunayo Akeredolu, *SAW* to fiscal transparency and accountability. He added Mr. Governor had institutionalized the participation of the people of the State in the budget preparation processes in order to ensure inclusiveness, transparency and engender ownership of the annual budget. The Permanent Secretary, therefore, x-rayed the Revenue and Expenditure performance in the tables below:

Table 1. ***Revenue Performance***

<b>S/N</b>	<b>REVENUE CATEGORY</b>	<b>BUDGET</b>	<b>MID-YEAR TARGET N'B</b>	<b>MID-YEAR ACTUAL N'B</b>	<b>MID-YEAR PERFORMANCE (%)</b>
1	REVENUE FROM FEDERATION ACCOUNT	88.623	44.311	46.562	105.080
2	INDEPENDENT REVENUE (IGR) WITHOUT RRA	28.778	14.389	15.104	104.970
3	OTHER REVENUE SOURCES	57.472	28.736	5.772	20.080
	<b>TOTAL</b>	<b>174.873</b>	<b>87.437</b>	<b>67.437</b>	<b>77.130</b>

From the Table above, the State's projections on the revenue from Federation Account and the Independent Sources were very accurate as the revenue from FAAC and IGR recorded over 100% each. It however did poorly on revenue from other sources which included grants, credits and other interventions from outside the State.

Table 2. *The 2020 and 2021 Mid-year Revenue performance compared*

S/N	Revenue Categories	2021 Mid-Year actual ₦'B	Performance %	2020 Mid-Year Actual ₦'B	Performance %	YOY % Performance
1.	Revenue From Federation Account	46,561,513,434.43	105.1	31,944,701,525.75	72.6	45.76
2.	Independent Revenue (IGR)	15,103,894,427.97	105.0	11,229,544,665.20	74.6	34.50
3.	Other Revenue Sources	5,771,646,861.03	20.1	11,741,487,520.88	29.3	(50.84)
	<b>Total</b>	<b>67,437,054,723.43</b>	<b>77.1</b>	<b>54,915,733,711.83</b>	<b>56.8</b>	<b>22.80</b>

Comparing the Revenue Performance of the year 2020 and 2021, the State recorded 45.76% increase in FAAC revenue performance year on year while Independent Revenue performed 34.50% increase year on year. The poor performance of revenue from other sources was 50.84%. This was majorly due to low grants from donor partners due to reduced activities as result of COVID-19 pandemic.

Table 3. *Expenditure Performance*

S/N	EXPENDITURE CLASSIFICATION	BUDGET	MID-YEAR TARGET N'B	MID-YEAR ACTUAL N'B	MID-YEAR PERFORMANCE (%)
1	RECURRENT EXPENDITURE	79.084	39.542	26.897	68.020
2	CAPITAL EXPENDITURE	69.915	34.958	12.928	36.980
3	STATUTORY TRANSFERS	12.241	6.121	5.268	86.080
4	DEBT REPAYMENT	13.633	6.816	8.182	120.030

<b>TOTAL</b>	<b>174.873</b>	<b>87.437</b>	<b>53.275</b>	<b>60.930</b>
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On the expenditure side, there was a shortfall of about 40% as at the mid-year of 2021. Government's effort towards defraying the debt stock of the State was highly noticeable from the Table above.

5.5. Concluding his presentation, he reiterated that the on-going projects in the State were at different stages of completion and were majorly high net worth investment that would impact on the lives of the future generation.

## **6.0. PRESENTATION ON THE 2022-2024 MTEF AND THE 2022 BUDGET**

6.1. Speaking on the 2022-2024 MTEF, the Director Budget, Ministry of Economic Planning and Budget, Mr. Aworere Stephen informed the meeting of the macroeconomic indices upon which projections for 2022 to 2024 were based. The macroeconomic indices as predicted by the IMF World Economic Outlook included National Inflation, National Real GDP Growth, Oil Production and Price Benchmarks and Naira/Dollar Exchange Rate.

**Table 4 2022-2024 Macro-Economic Framework**

<b>Macro-Economic Framework</b>				
<b>Item</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
National Inflation	11.98%	13.46%	12.05%	11.68%
National Real GDP Growth	3.00%	2.31%	2.30%	2.32%
Oil Production Benchmark (MBPD)	1.8600	1.8000	1.8500	1.9000
Oil Price Benchmark	\$40.00	\$60.00	\$72.01	\$75.53
NGN:USD Exchange Rate	379	410.25	410.25	410.25
<b>Other Assumptions</b>				
Mineral Ratio	36%	36%	38%	38%

He added that, having considered all sources of revenues to the State in year 2022, the State had proposed a total budget of N145.880 Billion.

Table 5. **2022-2024 REVENUE/INFLOW PROJECTIONS**

<b>Recurrent Revenue</b>	<b>Proposed Budget 2022</b>	<b>Proposed Budget 2023</b>	<b>Proposed Budget 2024</b>
Statutory Allocation	33,242,755,924	33,921,792,141	34,800,434,084
Net Derivation	12,480,288,527	13,853,120,265	14,822,838,684
VAT	19,699,753,485	22,733,115,310	26,298,803,578
IGR	31,655,963,000	34,821,567,000	38,303,723,000
Excess Crude / Other Revenue	6,060,000,000	6,120,600,000	6,181,806,000
<b>Total Recurrent Revenue</b>	<b>103,138,760,937</b>	<b>111,450,194,717</b>	<b>120,407,605,346</b>
<b>Capital Receipts</b>			
Grants	6,632,200,000	2,990,500,000	3,229,500,000
Other Capital Receipts	6,200,000,000	8,000,000,000	7,000,000,000
<b>Total</b>	<b>12,832,200,000</b>	<b>10,990,500,000</b>	<b>10,229,500,000</b>
<b>Reserves</b>			
Contingency Reserve	2,074,882,702	1,061,958,019	1,313,011,993
Planning Reserve	1,031,387,609	1,114,501,947	1,204,076,053
<b>Total Reserves</b>	<b>3,106,270,312</b>	<b>2,176,459,967</b>	<b>2,517,088,047</b>
<b>Capital Expenditure</b>			
Discretionary Funds	12,022,743,324	7,736,652,316	11,790,216,349
Non-Discretionary Funds	21,376,525,000	5,784,800,000	6,023,800,000
<b>Financing</b>	<b>29,909,300,000</b>	<b>5,794,300,000</b>	<b>5,794,300,000</b>
<b>Total Budget Size</b>	<b>145,880,260,937</b>	<b>128,234,994,717</b>	<b>136,431,405,346</b>

He made mention that the 2022 budget had been radically structured to focus allocations to thirteen (13) sectors in the State. The table below shows the details of the sectoral allocation:

**Table 6. Sectoral Allocation of Capital Envelope**

<b>Capital Expenditure by Sector</b>		<b>Total Capital Envelope</b>	
<b>No.</b>	<b>Sector</b>	<b>2022 Proposed Allocation</b>	<b>Percentage Allocation</b>
1	ADMINISTRATION OF JUSTICE	1,178,228,845.79	3.53%
2	AGRICULTURAL DEVELOPMENT	2,296,119,465.95	6.87%
3	EDUCATION	3,806,629,552.07	11.40%
4	ENVIRONMENT AND SEWAGE MANAGEMENT	2,782,534,468.12	8.33%
5	GENERAL ADMINISTRATION	1,197,530,343.22	3.59%
6	HEALTH	2,210,083,076.63	6.62%
7	INFORMATION	215,207,105.51	0.64%
8	INFRASTRUCTURAL DEVELOPMENT	15,709,646,231.64	47.04%
9	LEGISLATIVE ADMINISTRATION	1,273,208,518.06	3.81%
10	PUBLIC FINANCE	630,909,732.98	1.89%
11	REGIONAL DEVELOPMENT	201,982,087.85	0.60%
12	COMMUNITY DEVELOPMENT	601,137,166.22	1.80%
13	TRADE AND INDUSTRY	1,296,051,730.37	3.88%
	<b>Total</b>	<b>33,399,268,324.42</b>	<b>100.00%</b>

6.2. Concluding his presentation on the 2020 – 2024 MTEF, Mr. Aworere stressed that, though the State Internal Revenue Service had been performing well, it would be needed to generate at least N60.0 Billion annually to be able to cover the State’s recurrent expenditure. He however submitted that while the State Government would not be able to accommodate all the desires of the people due to limited resources and paucity of funds, the State would not desist from satisfying the most prioritised needs of the people of Ondo State.

## **7.0. OSERVATIONS/COMMENTS**

7.1. Reacting to the presentation, the participants commended the State Government for the initiatives to harvest the inputs of the relevant stakeholders in the State into the budget and as well thanked the management of the Ministry of Economic Planning and Budget for ensuring that some of their requests last year were accommodated in the current year budget. They, therefore, commented/reacted as follows:

- i. That the high mass of refuse and wastes which could be converted to bio-gas for renewable energy in the state were not well managed by government;
- ii. That the programmes and activities of government were not adequately publicized;
- iii. That the exploration of Bitumen to leapfrog the economy of the State was long overdue;

That the CSOs and NGOs were not being carried along in the monitoring of the State Projects;

- iv. That the CSOs and NGOs were not being consulted while engaging in Environmental Impact Assessment of government projects or private investment;
- v. That little or nothing was known about the Chocolate Factory in Alade Idanre;
- vi. That the government did not look towards resuscitating the moribund companies in the State;
- vii. That the State Secretariat Buildings were not so befitting as workplace;
- viii. That government was not committed to the Government Counterpart Contributions for the projects of Donor Partners;



- ix. That it was against the Law for the Local Government Councils in the State to be spending money without crafting annual budget;
- x. That the Health Centre in Bolorunduro, Ondo East was in a bad state;
- xi. That most cars bought in the State went for other State's Number Plate instead of the State's;
- xii. That the humongous fund transferred to OSOPADEC had not translated to development in the Southern part of the State;
- xiii. That the victims of gender based violence had often been left to private shelters to bear their cost of recuperation and getting justice;
- xiv. That there were leakages in sources of revenue to the state through tax avoidance and evasion;
- xv. That the women in the State were not having sufficient soft credit for their businesses; and
- xvi. That the CSOs and NGOs' involvement in the planning and the implementation of government programmes and projects was not enough.

## 7.2. **RECOMMENDATIONS**

7.2.1 Having considered the reactions/observations of the participants, it was recommended:

- i. that government should consider projects that would create renewable energy from the dumpsites;
- ii. that OSRC and other social media platforms should be leveraged on to showcase government's activities;
- iii. that government should ensure that exploration of Bitumen in the State commenced in earnest to leapfrog the economy of the state;

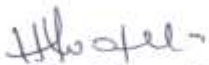
- iv. that the CSOs and NGOs should be well carried along in the monitoring of the State's projects;
- v. that CSOs and NGOs should be included among the team while assessing the Environmental Impact of government projects or those of private investors;
- vi. that the Chocolate produced in Alade Idanre should be branded and be made available in the local markets;
- vii. that the government should try to resuscitate the moribund companies in the State;
- viii. that the State Secretariat Buildings should be renovated;
- ix. that government should be more committed to the Government Counterpart Contributions for the projects of Donor Partners;
- x. that the Local Government Councils in the State should strive to craft their annual budgets in using the National Charts of Account;
- xi. that the Health Centre in Bolorunduro, Ondo East should be renovated and equipped;
- xii. that the State government should give incentives for car owners to ensure them to patronise the State's Number Plate for their new cars;
- xiii. that the government should ensure that OSOPADEC funded developmental projects in the Southern part of the State to avoid restiveness in the area;
- xiv. that government should not abandon the victims of gender based violence to the care of only private shelters to bear the cost of recuperation and getting justice;
- xv. that the leakages of revenue to the state through tax avoidance and evasion should be blocked;

- xvi. that more soft credits should be made available to the women in the State for their businesses;
- xvii. that the CSOs and NGOs' in the State should be more involved in the planning and the implementation of government programmes and projects; and
- xviii. That government should leverage on Civil Societies for getting feedbacks on programmes and activities of the government.

8.0 CONCLUSION

8.1 The Permanent Secretary appreciated the participants for their participation in the year citizens' engagement towards the preparation of 2022 Budget. He also thanked them for their constructive criticism of government as those criticisms were all meant to engender development in the State. He pledged that their contributions, comments and inputs would be given a pride place in the 2022 Budget. He specially thanked Mr. Frank Oloniju, the Chairman, Coalition of Ondo State Civil Society Organisations for mobilising his members to the year consultative meeting. He prayed God to reward him bountifully.


8.2 Finally, the Permanent Secretary reiterated the commitment of the administration of Arakunrin Oluwarotimi Akeredolu, *SAN*, to lift the State to a height that would be the envy of all.



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