

REPORT OF THE CONSULTATIVE MEETING WITH THE REPRESENTATIVES OF THE PEOPLE IN OKITIPUPA, IRELE, ILAJE AND ESE-ODO LOCAL GOVERNMENT AREAS OF THE STATE ON 2022-2024 MTEF AND 2022 BUDGET HELD AT LEGISLATIVE BUILDING, OKITIPUPA LOCAL GOVERNMENT, OKITIPUPA ON MONDAY, 23RD AUGUST, 2021.

1.0. INTRODUCTION

1.1 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 people in Okitipupa, Irele, Ilaje and Ese-Odo Local Government Areas of the state on Monday, 23rd August, 2021 in order to harvest their inputs into the State's Medium Term Expenditure Framework (MTEF) which would lead to 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 people of Okitipupa, Irele, Ilaje and Ese-Odo Local Government Areas 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; the Director, Budget, Mr. Aworere Stephen; the Director, Monitoring and Evaluation, Alhaji Adekunle L. A.; the Director, Technical Assistance & Aid Coordination, Mr. Adebuseoye 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 people in Okitipupa, Irele, Ilaje and Ese-Odo Local Government Areas which included the traditional rulers, market women, the CSOs, NGOs and CBOs were well represented at the meeting.

4.0. WELCOME ADDRESS

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 inputs of the people in Okitipupa, Irele, Ilaje and Ese-Odo Local Government Areas with a view to including them in 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 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 on Budgeting processes among the States in the nation for the year 2021. He reiterated the commitment of the present administration, under the leadership of Arakunrin Oluwarotimi Odunayo Akeredolu, SAN to fiscal transparency and accountability. He added that Mr. Governor had institutionalized the participation of the people of the State in the budget preparation processes in order to ensure inclusiveness, transparency and ownership of the annual budget. He, as well, posited that the budget preparation process would be cascaded to the Local Government Areas of the State. The Permanent Secretary, therefore, x-rayed the 2021 half-year Revenue and Expenditure performance as shown in the tables below:

Table 1. ***Revenue Performance***

S/N	REVENUE CATEGORY	BUDGET	MID-YEAR TARGET N'B	MID-YEAR ACTUAL N'B	MID-YEAR PERFORMANCE (%)
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
	TOTAL	174.873	87.437	67.437	77.130

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)
	Total	67,437,054,723.43	77.1	54,915,733,711.83	56.8	22.80

Comparing the Revenue Performance of the mid-year 2020 and mid-year 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 occasioned by 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
	TOTAL	174.873	87.437	53.275	60.930

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. They are as shown below.

Table 4. 2022-2024 Macro-Economic Framework

Macro-Economic Framework

Item	2021	2022	2023	2024
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
Other Assumptions				
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 as shown below:

Table 5. 2022-2024 REVENUE/INFLOW PROJECTIONS

Recurrent Revenue	Proposed Budget 2022	Proposed Budget 2023	Proposed Budget 2024
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
Total Recurrent Revenue	103,138,760,937	111,450,194,717	120,407,605,346
Capital Receipts			
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
Total	12,832,200,000	10,990,500,000	10,229,500,000
Reserves			
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
Total Reserves	3,106,270,312	2,176,459,967	2,517,088,047
Capital Expenditure	33,399,268,324	13,521,452,316	17,814,016,349
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
Financing	29,909,300,000	5,794,300,000	5,794,300,000
Total Budget Size	145,880,260,937	128,234,994,717	136,431,405,346

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

Capital Expenditure by Sector		Total Capital Envelope	
No.	Sector	2022 Proposed Allocation	Percentage Allocation
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%
	ENVIRONMENT AND SEWAGE		
4	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%
	Total	33,399,268,324.42	100.00%

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. OBSERVATIONS/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 next 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. There was no adequate information on State Government activities in the Local Government Areas;
- ii. The traditional leaders were not adequately carried along on security issues;
- iii. The needs of the region were not adequately presented by their representatives at the House of Assembly;
- iv. Arable lands in Osoro land had been taken over for Palm Plantation which left the people with no lands for farming;
- v. There had been no electricity in some areas of Osoro land;
- vi. The road between Igbotako and Ode-Aye was in a bad and critical state;
- vii. The schools in the Southern Senatorial District were in a bad condition and not conducive for learning;
- viii. The Motorcycles operating as Okada were not registered and were mostly used for criminal purposes in the region;
- ix. The Police Stations in Okitipupa Local Government Area had no patrol vehicles;
- x. The Southern Senatorial Districts was not enjoying electricity and this had been a major setback for economic activities in the area;
- xi. Ayetoro, Idi-opa, in Abereke, Gbagiha communities in Ilaje Local Government had been claimed by the Sea incursion;
- xii. Transportation and Fishing activities in Ilaje Local Government Area had been hampered as a result of the Sea incursion;
- xiii. That the Local Government Areas in the region had not been carrying the people along appropriately;
- xiv. Most of the boreholes constructed by government were not well managed, causing epileptic operations;

- xv. Ajagba-Akotogbo link road was in a bad condition and therefore needed urgent intervention;
- xvi. Most in-roads in Irele Local Government were not motorable;
- xvii. The prompt intervention of the Traditional leaders in Ajagba-Odogu land boundary tussles was not appreciated by the Government;
- xviii. The International market in Ode-Ugbo was no more functional;
- xix. The Irele-Ugbo-out roads were in critical state;
- xx. The Igbokoda International market was poorly managed and the market women were excessively taxed; and
- xxi. The security provided by the Vigilante group at the local level were being financed by the Traditional leaders without Government's reimbursement.

7.2. **RECOMMENDATIONS**

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

- i. that Government should be more transparent on its activities and provide adequate information on State Government activities in the Local Government Areas;
- ii. That the traditional leaders should be adequately carried along on security issues in the areas;
- iii. that there should be quality representatives by the House of Assembly Members in the region;
- iv. that government should intervene in the provision of arable lands in Osoro land for farming;
- v. that government should provide electricity for Osoro land;

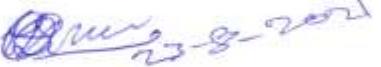
- vi. that the road between Igbotako and Ode-Aye should be rehabilitated;
- vii. that schools in the Southern Senatorial District should be renovated;
- viii. that the Motorcycles operating as Okada should be made to register in order to generate revenue to the State and to curb crime;
- ix. that the Government should provide Patrol Vehicles to Police Stations in Okitipupa Local Government Area in order to combat crime in the Area;
- x. that government should prioritize the provision of electricity to the Southern Senatorial Districts;
- xi. that Government should strive to salvage Ayetoro, Idi-opa, Abereke, Gbagiha communities in Ilaje Local Government which had been plagued by Sea incursion;
- xii. that government should think in the direction of old waterworks to solve the problems of water supply in the region;
- xiii. that the Local Government Areas in the region should involve the people as appropriate in the running of their activities;
- xiv. that the Boreholes constructed by government should be well maintained for full operations;
- xv. that Ajagba-Akotogbo road should be prioritized for immediate rehabilitation;
- xvi. that the in-roads in Irele Local Government should be rehabilitated;
- xvii. that the Government should appreciate the mediation role of the Traditional leaders in Ajagba-Odogu land boundary tussles that ensued peace;
- xviii. that the International market in Ode-Ugbo should be revived for optimal functioning;
- xix. that Irele-Ugbo-out roads should be rehabilitated;

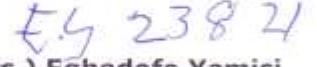
- xx. that the Igbokoda International market should be adequately managed and the market women taxes should be looked into; and
- xxi. that government should make provision for security votes for the Traditional leaders in the State.

8.0. CONCLUSION

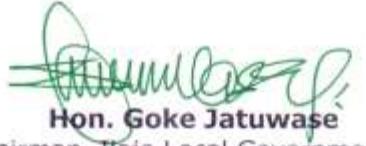
8.1 After the vote of thanks was delivered by Alhaji Lateef Adekunle, the Director, Monitoring and Evaluation, the Permanent Secretary thanked the participants from the four Local Governments of Okitipupa, Irele, Ilaje and Ese-Odo Local Government Areas for their participation and constructive contributions. He, thereafter, re-echoed his commitment and promise to forward their views and recommendations to the Governor with a view to including them in the 2022 budget.

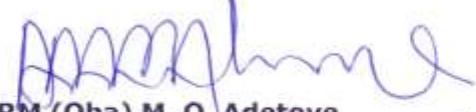
8.2 The Permanent Secretary finally reiterated the commitment of the present administration under the leadership of Arakunrin Oluwarotimi Akeredolu, SAN, to assiduously work to lift the State to a high level of unequalled development among the States in the country.


Ilesanmi Omosaye (JP)
Chairman, Artisan
Okitipupa Local Government
08162734463


Chief (Mrs.) Egbedofo Yemisi
Iyaloja Irele
Irele Local Government
08113251969


Egbukuyomi A.
Rep. of Farmers' Congress
Ese-Odo Local Government
07031913012


Hon. Goke Jatuwase
Chairman, Ilaje Local Government
08064798576


HRM (Oba) M. O. Adetoye
Jegun of Idepe
Okitipupa Local Government
08033231701