

REPORT OF THE CONSULTATIVE MEETING WITH COALITION OF STUDENT BODIES, WOMEN ORGANISATIONS, YOUTH GROUPS AND VULNERABLE GROUPS IN ONDO STATE ON 2022-2024 MTEF AND 2022 BUDGET HELD IN BABAFUNKE AJASIN AUDITORIUM ON THURSDAY, 12TH 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 Student Bodies, Women Organisations, Youth groups and the vulnerable groups, 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 Student Bodies, Women Organisations, Youth groups and the vulnerable groups in the State on Thursday, 12th 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;
- ii. harvesting inputs from the Student Bodies, Women Organisations, Youth groups and the vulnerable groups 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, 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 Student Bodies, Women Organisations, Youth groups and the vulnerable groups were high in number at the meeting. The list of the participants is as attached.

4.0. WELCOME ADDRESS

The Director, Development Planning, Mr. B. J. Daisi, welcomed the participants to the meeting. In his address, he noted the parley heralded the series of consultative meetings that the State usually have with stakeholders during the preparation of the annual budget. He revealed that the thrust of the meeting was to harvest the inputs of the Student Bodies, Women Organisations, Youth groups and the vulnerable groups, who he described as partners in progress with the State, towards the preparation of 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, *SAV* 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	BUDG ET	MID- YEAR TARG ET N'B	MID- YEAR ACTU AL N'B	MID-YEAR PERFORMAN CE (%)
1	REVENUE FROM FEDERATIO N 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 N'B	Performance %	2020 Actual	Mid-Year N'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%
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%
	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 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, observed/commented/reacted as follows:

- i. That the free shuttle buses were no longer in operation;
- ii. That youth should acquire skills alongside their academic pursuit;
- iii. That the government should make empowerment of youth a priority;

- iv. That the money given to market women as loan was not sufficient to start a trade;
- v. That the interests of the participants were not represented when making political appointment;
- vi. That the markets across the State lacked basic amenities such as, water, toilets, etc.;
- vii. That traders were really affected by irregular payment of workers salaries;
- viii. That the borders of the State were becoming porous;
- ix. That non-diversification of the State economy had become a bottleneck to development;
- x. That there was no cash backing for Disability Day celebration;
- xi. That scholarship and bursary should be paid timely;
- xii. That Akungba students had no access to portable water;
- xiii. That the barricade mounted on the road leading to Akungba was responsible for regular traffic gridlock in the area;
- xiv. That the request for eye glasses by the disable people did not enjoy Mr. Governor's approval;
- xv. That the Albinos were not adequately recruited;
- xvi. That paucity of fund affected the empowerment of Disabled people after they had acquired training;
- xvii. That Tourism sector could generate much revenue for the State was neglected; and
- xviii. That many taxable people were still outside the tax net.

7.2. **RECOMMENDATIONS**

Listed below were the recommendations on the observations above:

- i. That those buses that had not been operational since the Covid-19 pandemic began should be put on the roads as soon as the pandemic subsided;
- ii. That the government should provide platforms for youths to acquire requisite skills as the State's revenue improved;
- iii. That the government should prioritize the empowerment of youth;
- iv. That more soft loan should be made available for market women for their trading;
- v. That competent market women should be considered for Special Adviser to Mr. Governor on market;
- vi. That basic amenities should be made available to the market;
- vii. That payment of salaries of workers should be regular as inflow to stimulate the market economy;
- viii. That the International Disable day should be observed and celebrated in the State as and when due with the support of the State Government;
- ix. That the state borders would be adequately secured;
- x. That the State economy should be diversified along Micro, Medium and Small Scale Enterprises for developmental purposes;
- xi. That the government should timely disburse Scholarship and Bursary;
- xii. That the government should provide portable water at Akungba for the benefit of the people especially the students;
- xii. That the barricade mounted on the road leading to Akungba should be made as not to cause gridlocks in the area;


- xiii. That the request for eye glasses by the physically challenge people should be prioritized by the government;
- xix. That the recruitment of the Albinos into the government service should be given more consideration;
- xx. That the government should empower the disabled after being trained;
- xxi. That the opportunities in Tourism sector should be explored for more revenue generation; and
- xxii. That the government should get data of taxable people in the State and capture them into the tax net.

8.0 CONCLUSION

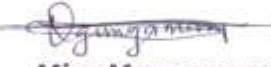
8.1 The Permanent Secretary, while concluding, appreciated the women groups, Student bodies, youth groups and the representatives of People with Disabilities (PWD) for honouring the State with their presence in the 2021 consultative engagement, leading to the preparation of 2022 Budget. He also thanked them for their contributions and pledged that those contributions, comments and inputs would be considered in the 2022 Budget, as far as revenue would permit.

8.2 Finally, the Permanent Secretary emphasized the commitment of the present administration to lift the State to a level that would make her rank among the best in the country.

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