

REPORT OF THE CONSULTATIVE MEETING WITH COALITION OF AKOKO NORTH-EAST, AKOKO NORTH-WEST, AKOKO SOUTH-EAST AND AKOKO SOUTH-WEST LOCAL GOVERNMENT AREAS IN ONDO STATE ON 2022-2024 MTEF AND 2022 BUDGET HELD AT THE SECRETARIAT HALL OF AKOKO NORTH-EAST LOCAL GOVERNMENT, IKARE-AKOKO ON MONDAY, 16TH AUGUST, 2021.

1.0. INTRODUCTION

1.0. Section 22, Subsections 2(a) and (b) of the Ondo State Fiscal Responsibility Law (2017) mandated that the inputs of the people in communities and social groups across the State, including the Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs), Organised Private Bodies, the vulnerable, among others, be sought while preparing the State's Medium Term Expenditure Framework (MTEF), with a view to including them in the yearly budget. Pursuant to this, the Ministry of Economic Planning and Budget had a consultative meeting with the coalition of the people of Akoko North-East, Akoko North-West, Akoko South-East and Akoko South-West Local Government Areas in the State on Monday, 16th August, 2021 in order to harvest their inputs into the State's Medium Term Expenditure Framework (MTEF) and as well capture their yearnings into 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 Akoko North-East, Akoko North-West, Akoko South-East and Akoko South-West 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, Finance and Administration, Mrs. Morayo Bayo-Philips; the Director, Monitoring and Evaluation, Alhaji Adekunle L. A.; the Director, Technical Assistance & Aid Coordination, Mr. Adebusoye 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.
- 3.2. Also present at the meeting were the four Council Chairmen of the Local Government Areas; the Directors, Local Government Administration of the four Local Government Areas; the Traditional Rulers of the Communities in Akoko Land; the Iyalajes/Iyalojas of the Communities, the Artisans as well as the Representatives of Non-Governmental Organisations (NGOs), Representatives of Community Based Organisations (CBOs) and Representatives of People with Disabilities. 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 hinted 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 all stakeholders in the State, including the CSOs and NGOs,

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 BUDGET PERFORMANCE – SCORE CARD

Speaking on the 2021 Mid-year Budget performance, the Acting Commissioner and Permanent Secretary, Mr. Bunmi Alade, explained that Budget was a key policy instrument for allocating public resources among competing socio-economic needs. Hence, 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, he informed the audience that the State had been accessing the State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (PFR) grants since 2018. He joyfully announced that Ondo State was recently ranked the second best on Budget 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 engender ownership of the annual budget. The Permanent Secretary x-rayed the Revenue and Expenditure performance in the tables below:

5.2. 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.

5.3. The 2020 and 2021 Mid-year Revenue performance compared

S/N	Revenue Categories	2021 Mid-Year actual N'B	Performance %	2020 Mid-Year Actual 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 mid-year Revenue Performance of 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. Revenue from other sources performance was 20.1%, which was 50.84% less than that of the previous year. This poor performance was majorly due to low grants from donor partners which was in turn due to reduced activities resulted from of COVID-19 pandemic.

5.4. 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 efforts towards defraying the debt stock of the State was easily noticeable from the table above.

5.5. Concluding his presentation, Mr. Bunmi Alade 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 present and future generations.

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

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. The indices are as shown below:

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 a total budget proposal of N145.880 Billion.

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:

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%

6.1. Concluding his presentation on the 2020 – 2024 MTEF, Mr. Aworere stressed that, though the State Internal Revenue Service had been performing, it would however be apposite to state that the State Internal Revenue Service would need to generate at least N60.0 Billion annually if State would be able to cover its recurrent expenditure. He, however, submitted that, while the State Government would not be able to accommodate all the desires of the people into the 2022 budget due to limited resources and paucity of funds, the State would ensure the inclusion of the most prioritised needs of the people into the budget.

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, commented/reacted as follows:

- i. That the SITA ICT centre in Akungba-Akoko had been abandoned;
- ii. That the 3.78km road in Akungba was neglected causing hitch in flow of traffic;
- iii. That four wards were left out in the distribution of drugs to Primary Health Care Centres in Akoko-South Local government;
- iv. That the feeder roads in Oka-Akoko were in bad condition;
- v. That increase in cost of administration was due to too many political appointees;
- vi. That the deplorable condition of roads in Akoko North East begged for urgent attention by the Government;

- vii. That the Epinmi/Ugbe road required urgent and immediate intervention;
- viii. That Transfer to local governments was not timely released thereby slow down development;
- ix. That the Local Governments were not allowed to collect taxes, which consequently hampered development at the local councils;
- x. That over bloated workforce culminating to high cost of administration at the Local Government hindered the development in the LG;
- xi. That Ikare-Ajowa, Ajowa- Igasi-Eriti, Arigidi-Iye-Ogbagi roads were in a deplorable state, and therefore needed urgent rehabilitation.
- xii. That Akoko zone was not considered in the Investment drive of the present Administration in Ondo State;
- xiii. That the activities of herdsmen still constituted a threat to agriculture in Akoko areas, thereby hindered meaningful economic and social development;
- xiv. The pace of construction of Ikare roads was worrisome;
- xv. The issue of lack of teachers at the Primary schools still persisted despite the recent teachers' recruitment;
- xvi. That the resuscitation of moribund Alpha Industry at Ikare, and Tomato Industry at Arigidi had not been considered by the present administration;
- xvii. The attitude of ODIRS Tax officials in course of tax collection at Akoko land was unprofessional;
- xviii. The reconstruction of Awara Dam to provide portable water in the area was not prioritized by the present administration.

7.2. **RECOMMENDATIONS**

- i. That the Akungba SITA ICT centre would be revived through the collaboration of Government and the host communities;
- ii. That the 3.78km road in Akungba should be considered for construction;
- iii. That the complaints of the four wards left out in distribution of drugs should be forwarded to Primary Health Care board as appropriate;
- iv. That the feeders' road in Oka-Akoko should be looked into;
- v. That the cost of administration should be streamlined where necessary;
- vi. That the deplorable roads in Akoko zones should be considered for rehabilitation;
- vii. That transfer to the Local Government should be timely, going forward;
- viii. That the Local Government officials should collaborate with ODIRS in collection of taxes;
- ix. That the Local Government Councils should review their personnel estimate;
- x. That all the Local Government Areas in the zone should be involved in investment drive of the Government;
- xi. That security situation in the zone should be improved upon for meaningful economic and social development;
- xii. That the pace of Ikare road construction should be increased;
- xiii. That security should be improved upon so that farmers could go back to their farms, and that Youths should be empowered financially and with necessary skills;
- xiv. That more teachers should be recruited at the Primary schools' level;
- xv. That the resuscitation of Alpha Industry at Ikare and Tomato Industry at Arigidi should be prioritised to promote industrialisation;


- xvi. That the ODIRS officials should conduct the collection of tax in a professional manner; and
- xvii. That Government should revisit the construction of Awara Dam to provide portable water for the community.

8.0 CONCLUSION

8.1 The Permanent Secretary, while concluding, appreciated the people of Akoko North-East, Akoko North-West, Akoko South-East and the Akoko South-West Local Government Areas 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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