

**THE REPORT OF THE CONSULTATIVE MEETING WITH THE ORGANISED PRIVATE SECTOR, TRADE ASSOCIATIONS AND PROFESSIONAL BODIES IN ONDO STATE ON 2020 -2022 MTEF AND 2020 BUDGET PREPARATION HELD AT THE CONFERENCE HALL OF MINISTRY OF ECONOMIC PLANNING AND BUDGET, ALAGBAKA, AKURE ON THURSDAY, 5TH SEPTEMBER, 2019.**

**1.0 INTRODUCTION**

1.1 Pursuant to Section 22, Subsection 2 (a) and (b) of the Ondo State Fiscal Responsibility Law (FRL), (2017) which provides that public consultation be made with the citizens and their representatives with a view to harvesting their inputs into the State’s MTEF leading to the yearly budget; a parley with the Organised Private Sector, Trade Associations and Professional Bodies on the 2020-2022 MTEF and 2020 budget preparation was held at the Conference Hall of the Ministry of Economic Planning and Budget. Alagbaka, Akure on Thursday, 5th September, 2019. The meeting was presided over by the Honourable Commissioner for Economic Planning and Budget, Pastor Igbasan Emmanuel.

**2.0 OBJECTIVE OF THE TOWN HALL MEETING**

2.1 The main objectives of the meeting were as follows:

- i. to present the 2020 – 2022 MTEF which included the projections for 2020 budget;
- ii. to harvest inputs of the Organised Private Sector, Trade Associations and Professional Bodies or their representatives in order to include them in the 2020 budget.

### **3.0 PARTICIPANTS**

3.1 The meeting had in attendance the Honourable Commissioner, Ondo State Ministry of Economic Planning and Budget, Pastor Emmanuel Igbasan, the Permanent Secretary, Ondo State Ministry of Economic Planning and Budget, Mr. Bunmi Alade, Director Budget, Mr. Aworere Stephen, Director Technical Assistance & Aid Coordination, Mr. Adebusoeye Monday, Director 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.

3.2 Also, present at the meeting are the members of the Organised Private Sector, Representatives of different Professional bodies, and Representatives of different Trade Associations.

### **4.0 OPENING REMARKS**

4.1 The Permanent Secretary, Ondo State Ministry of Economic Planning and Budget, Mr. Bunmi Alade, welcomed the participants to the all-important occasion. He remarked that the consultative meeting was organized to discuss the needs, desires and yearnings of the people as inputs into the year 2020 budget. He stated that the meeting sought to ask how the people perceived the government activities – What the State is doing; what it should do and what it should stop doing. Concluding his remarks, he enjoined all stakeholders to contribute meaningfully to the discussion of the meeting so as to have a robust, people-oriented budget.

## **5.0 KEYNOTE ADDRESS**

5.1 Giving his keynote address, the Honourable Commissioner for Economic Planning and Budget, Pastor Emmanuel Igbasan, on behalf of the Executive Governor of the State, Arakunrin Oluwarotimi Odunayo Akeredolu, *SAN*, enthusiastically welcomed all the participants to the auspicious occasion.

5.2 He commended Arakunrin for the life-impacting projects embarked upon since the inception of this administration. He made mention that the objectives of the meeting were to appraise the programmes and projects of the Government; to position the people to maximize the benefits of the Government's programmes and projects; and to draw the attention of the government to issues of dispersion (performance or non- performance of Government activities). He further stated that, in line with global best practices, the State had taken a radical, 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.

5.3 Commenting on the issues raised at the last year's town hall meeting by the Organised Private Sector, Trade Associations and Professional Bodies that fund allocated to Trade and Industry Sector vis-à-vis Government's plan for industrial development was low, he remarked that Government had identified PPP as a veritable means of pursuing her industrial development drive. For example, Ore Industrial Park was a PPP initiative where the State provided the land and such would be replicated in the other two planned industrial parks for the Central and Northern Senatorial Districts, with Government Commitment to putting in place the right industrial policy framework.

5.4 Addressing the issues about low IGR, high unemployment rate and revival of moribund industries in the State, Pastor Igbasan commented that the State Government had adopted an innovative, technology-based approach to Independent revenue generation such that payment processes were automated, reducing the incidences of diverting government revenues for personal use. He also remarked that IGR in the State had witnessed increase in the last two years. On the issue of unemployment, the Honourable Commissioner stated that efforts were being put in place to address the situation with the initiative of the establishment of Ore Industrial Park. At full capacity, the five industries would employ about 25,500 people. Other issues addressed were the security concerns in the State, Budget Implementation Performance in the State, Monitoring of State Projects and Publicity of Government Programmes and projects.

5.5 While concluding his address, he enjoined the participants to speak dispassionately and make insightful contributions as their aspirations, desires, requests and feedbacks would be presented to Mr. Governor to see how many of those desires would be accommodated in the 2020 budget.

## **6.0 BUSINESS OF THE DAY**

### **6.1.0 PRESENTATION ON 2020 – 2022 MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)**

6.1.1 In his presentation, the Director Budget, Mr. Aworere S. R. highlighted the 2019 budget component figures and explained both the recurrent and capital budget implementation performance as at June 2019. He stated that total revenue expected for the 2019 Mid-Year was N96.950 billion while the total revenue received for the period was N56.067 billion, recording a shortfall of 49.6%.

6.1.2 Speaking on the 2020 - 2022 MTEF, the Director Budget briefed the meeting that, having taken into cognizance all macroeconomic indices and also considered all sources of revenues to the State in the coming year 2020, the State had proposed a total budget of ₦176.112 billion for year 2020. He made mention that the 2019 budget had been radically structured to focus allocations to thirteen (13) sectors in the State. The table below shows the details of the sectoral capital allocation.

<b>Capital Expenditure by Sector</b>		<b>Total Capital Envelope</b>	
<b>S/N</b>	<b>Sector</b>	<b>% 2020</b>	<b>2020 Allocation</b>
1	ADMINISTRATION OF JUSTICE	3.3%	2,134,545,758
2	AGRICULTURAL DEVELOPMENT	14.2%	9,140,445,517
3	EDUCATION	4.1%	2,610,501,530
4	ENVIRONMENT AND SEWAGE MANAGEMENT	2.3%	1,488,898,967
5	GENERAL ADMINISTRATION	1.4%	897,761,679
6	HEALTH	13.3%	8,552,053,436
7	INFORMATION	0.2%	143,299,684
8	INFRASTRUCTURAL DEVELOPMENT	46.1%	29,711,058,102
9	LEGISLATIVE ADMINISTRATION	2.3%	1,497,789,753
10	PUBLIC FINANCE	1.3%	820,222,758
11	REGIONAL DEVELOPMENT	8.5%	5,494,386,600
12	COMMUNITY DEVELOPMENT	1.7%	1,070,564,718
13	TRADE AND INDUSTRY	1.3%	863,000,334
	<b>Total</b>	<b>100.00%</b>	<b>64,424,528,837</b>

6.1.3 Mr. Aworere explained that the sectoral capital expenditure was divided into two: Discretionary Funds and Non-Discretionary Funds. He further stated that N8.006 billion was for Discretionary funds and N56.419 billion for non-discretionary fund which the State does not have outright control over. Concluding his presentation on the 2020 – 2022 MTEF, he stressed that the State Government would continue to prioritise the needs of the people of Ondo State.

## **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 and prayed that their requests at this year's meeting be included in the 2020 budget. While the Honourable Commissioner exhaustively addressed most of their comments and reactions, the followings were noted:

- i. Companies that were in partnership with the State did not give employment to qualified citizens of the State;
- ii. Toilets were not in strategic places to ensure compliance with the pronounced ban on open defecation;
- iii. Indigenous artisans were not patronized by Government and contractors engaged by the State;
- iv. Government focused on perennial crops at the neglect of biennial and annual crops in its quest for economic diversification;
- v. Teachers were not employed to replace the retired ones;

- vi. Retired teachers were not given appropriate attention for gratuities payment;
- vii. Youth of the State were not well enlightened about National empowerment programmes
- viii. Solid waste and sewage management could boost State's IGR;
- ix. Capital budget to recurrent budget ratio did not meet the global benchmark;
- x. National Youth Council of Nigeria was no longer benefiting from State subvention;
- xi. Ondo State Students no longer benefit from State scholarship;
- xii. School fees in Ondo State Tertiary Schools remained unaffordable;
- xiii. Windows of opportunity were not available for Small Scale Industrialist;
- xiv. Akoko land was suitable for planting millet which necessary for creation of Sunshine Brewery around;
- xv. Private hospitals and pharmacy operators were being taxed arbitrarily;

## **8.0 RECOMMENDATIONS**

8.1 The followings were the recommendations:

- i. that State government should mandate investors in the State to tap into the massive human capacity in the State and to stop bringing workers which they could get in the State from elsewhere;
- ii. that the State Government should ensure that there were public toilet in strategic places across the State before enforcing the ban on open defecation;

- iii. that the State Government should empower farmers which specialized in cultivation of annual and biennial crops;
- iv. that State government should consider the necessity of employing new teachers to replace the retired ones;
- v. that State government should urgently pay gratuities to retired civil servant especially those that retired in the late 80s and early 90s before they die;
- vi. that State government should engage consultants on how to earn IGR from wastes recycling and management in the State;
- vii. that State government should ensure that Capital budget to recurrent budget ratio meet the global benchmark;
- viii. that the State Government should reconsider subvention payment to Civil Society Organizations and payment of Scholarship/Bursary to State tertiary students;
- ix. that State government should review the tuitions at the state public tertiary institutions downward for the sake of indigent students;
- x. that State government should link up with the necessary organizations to make credit available to Micro, Small and Medium Enterprises (MSMEs) in the State; and
- xi. that the State Government should attract investor to establish Brewery in the State.

## 9.0 CONCLUSION

9.1 The Honourable Commissioner appreciated the participants for their contributions, comments and suggestions at the meeting. He promised them that the State Government under the leadership of Arakunrin Oluwarotimi Akeredolu, *SAN*, would continue to hold trust for the people, service them and give them their desired expectations.



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