

REPORT ON ONE-DAY CITIZENS' ENGAGEMENT (SELECTED STAKEHOLDERS) MEETING ON 2020 REVISED BUDGET ORGANISED BY THE ENUGU STATE MINISTRY OF BUDGET & PLANNING ON TUESDAY 28TH JULY 2020, AT DOME CENTRE, NEW HAVEN ENUGU.

Overview/Background

The Covid-19 pandemic precipitated economic downturns globally. Nigeria is particularly affected due to the drastic fall in major economic drivers, especially in price of crude oil, the mainstay of the nation's macro economy. Several studies and surveys showed the following: that the National Gross Domestic Product (GDP) will contract in 2020 with huge decline in oil earnings and customs revenue, followed by drop in VAT poll as well as in state and local government allocations, with higher propensity of withdrawal of international intervention funds within the period of the COVID-19 pandemic in Nigeria. It therefore became absolutely necessary for the Nation and Enugu State to revise their budgets to reflect the current realities. The Federal Government officially mandated the 36 states of the federation to restructure their budgets in accordance with templates adopted by the National Executive Council, NEC. This practice is in sync with the culture of Enugu state Ministry of Budget and Planning and the commitment on Open Government Partnership (OGP) initiative of citizens' participation in budget process in the state.

To this end, Enugu State Government, under the leadership of His Excellency, the Governor: Rt. Hon. Ifeanyi Ugwuanyi embarked on 2020 appropriation Law alteration exercise through the Ministry of Budget and Planning, with respect to the economic contractions necessitated by the deadly disease. The citizens of the state were structurally mobilized and engaged for the alteration at the Dome Event Centre, New Haven, Enugu, in line with the state government's commitments to participatory democracy, transparency and accountability in governance. The stakeholders cut across all strata of society in the state and they made very active and persuasive contributions during the dialogue session.

Opening protocol

Declaration of Workshop Open:

The stakeholders' forum which was held on July 28th 2020 was declared opened with a remark by the Deputy Governor of Enugu State, Mrs. Cecilia Ezeilo, who represented the Governor of the State, His Excellency, Rt. Hon. Ifeanyi Ugwuanyi. The Deputy Governor in her remarks stated that the 2020 appropriation Law alteration became imperative due to the economic impact of COVID-19 outbreak, especially the drastic reduction in government earnings, arising from the sudden collapse of the global demand for crude oil.

She noted that the public session with citizens of the state underscores the state government's commitment to participatory democracy and transparency. She added that it was also organized in fulfillment of the state's obligations under the Fiscal Responsibility Act 2007 and the conditions of the World Bank budget policy support partnership as well as obligations of the Open Government Partnership (OGP) initiative.

The Deputy Governor informed the audience that the budget of Enugu State was the business of all stakeholders and opinion leaders as well as Ndi Enugu at home and in the Diaspora, stressing that their brilliant and patriotic inputs and their faithfulness made the state's 2019 budget achieve a performance of 80%. The Deputy Governor further reiterated Enugu's enviable position as one of the six most economically viable states in the Country on account of its fiscal discipline.

Welcome remark/Brief:

The Honourable Commissioner for Budget & Planning, Dr David Ugwunta welcomed participants to the forum. He emphasized the negative consequences of the COVID-19 Pandemic and stated that as a result of substantial drop in GDP growth, inflation has increased. He further expressed the necessity of adjusting the budget to reflect the current economic realities. He therefore, pointed out that the alteration maintained a higher ratio of capital expenditure to recurrent expenditure and wish to seek the cooperation and inputs of state residents

present in the forum, assuring them that if approved the amended appropriation Law will guarantee the state government's firm footing to address the State's development needs and better placement to respond to the challenges associated with COVID-19 Pandemic.

Dr. Ugwunta provided further insights to the appropriation amendment specifics. He stated that with the new appropriation Bill structure, minimum wage and allowances will be paid including Health hazard allowances to our front line healthcare workers fighting COVID-19. He expressed hope stating that the amended bill when passed will continue to finance the huge investment of the state in health infrastructure and facilities. According to him, the budget seeks amendment to make it possible for the state government to retain its investments in works & infrastructure such as the construction of Enugu Diagnostic and Infectious Diseases Centre, General Hospitals across the 3 Senatorial Zones, isolation Centres, ultra-modern health centres as well as investment in agriculture especially, the Efi Igbo Project, SMEs, etc.

Technical Session:

The Technical Session started with a presentation made by Mr. Ugwu Casmir, the Permanent Secretary Ministry of Budget & Planning. In his presentation, he summarized the content of the draft appropriation bill by revealing that the state government proposed a reduction in the budget size from ₦169,557,658,300.00 (One hundred and sixty-nine billion, five hundred and fifty-seven million, six hundred and fifty-eight thousand, three hundred naira) to ₦146,374,641,080.00 (One hundred and forty-six billion, three hundred and seventy-four million, six hundred and forty-one thousand, and eighty naira), signifying 13.67% reduction in the 2020 appropriation Law size. The savings and additional sum required are ₦53,617,927,900.00 (Fifty-three billion, six hundred and seventeen million, nine hundred and twenty-seven thousand, nine hundred naira) and ₦27,455,910,680.00 (Twenty-seven billion, four hundred and fifty-five million, nine hundred and ten thousand, six hundred and eighty naira) respectively. He noted that the office of the Governor was the worst hit in the readjustment by 34.71% reduction. He further stated that the recurrent expenditure increased from

₦68,790,000,000.00 (Sixty-eight billion, seven hundred and ninety million naira) to ₦69,790,000,000.00 (Sixty-nine billion, seven hundred and ninety million naira) representing 1.45% while the capital expenditure was reduced from ₦100,767,658,300.00 (One hundred billion, seven hundred and sixty-seven million, six hundred and fifty-eight thousand, three hundred naira) to ₦76,584,641,080.00 (Seventy-six billion, five hundred and eighty-four million, six hundred and forty-one thousand, and eighty naira) representing 24% decrease. However capital expenditure maintained its higher ratio to the recurrent expenditure, representing 52% of the proposed appropriation while the proposed recurrent expenditure is 48% of the draft appropriation bill size. He also stated that it was necessary to revise the appropriation Law 2020 due to a nose dive of the National economy. He added that everything the government proposed November last year when the budget was drafted had almost been eaten up by COVID-19 and this has affected GDP growth and its attendant rise in inflation.

The second Presentation was on the revised 2020 budget & was done by Hon. Commissioner for Ministry of Budget & Planning Dr David O. Ugwunta. He explained the breakdown of the proposed 2020 revised appropriation bill and the economic & fiscal assumptions of Government in reviewing the 2020 appropriation Law.

He listed the State Government's expectation to be addressed by the proposed amendment bill as:

- Reduction in tax Revenue as a result of tax exemption.
- Investment in Health management, healthcares and Equipment.
- Investment in Agriculture for food Security.
- Construction/Maintenance of roads.
- Renovation of Schools to curtail COVID-19, and improve spacing.
- Payment of Minimum Wage, allowances for Health workers and other frontline officers.

The Hon. Commissioner further presented the summary of revised Federal Allocation revenue as contained in Medium Term Expenditure Framework (MTEF).

He stated that the approved recurrent revenue of ₦119, 889,058,300.00 (One hundred and nineteen billion, eight hundred and eighty-nine million, fifty-eight thousand, three hundred naira) was revised to ₦99, 536,976,080.00 (Ninety nine billion, five hundred and thirty six million, nine hundred seventy six thousand, and eighty naira) representing 16.98 % respectively. There was no savings accrued or additional sum required.

QUESTIONS, COMMENTS AND RECOMMENDATIONS:

The Permanent Secretary moderated the citizens-led discussion session at the forum. Participants were invited and permitted to make comments and ask questions about the budget review and its implications.

Question/Comment No. 1: By Mrs. Sonnia Ebere Okonkwo (Budget & Planning Advocacy Partnership,(BPAP) a Civil society budget focused coalition coordinator CSO): she praised the state government for the massive infrastructure in hospitals across the three senatorial districts in the state, but asked, what the Government is doing in the amendment to ensure that COVID-19 protocol is sustained at public places of churches and other places in order to continue to escape the hash effect of contracting the deadly disease? She further recommended that the agencies of government must continue to enforce compliance. She further expressed concern on -

- Whether there are provisions in the proposed appropriation amendment to ensure citizens comply with COVID-19 protocol for prevention of the disease? Or do we continue to expand Hospitals in preparation for major outbreak, what if the hospitals get overwhelmed?
- Why are we not focusing on ensuring citizens compliance to overcome the Pandemic once & for all? Bearing in mind that prevention is better than cure.

Question 2: By Barr. Ojielo Chukwudi, asked- In line with the State Government efforts to improve the health Sector to respond to the COVID-19 Pandemic...

- What is the State Government doing to stem the rising tide of Gender Based Violence (GBV) in the State which is on the rise as a result of the pandemic and What is the State Government doing to equip the justice sector to respond to this increasing vice?

A member of the youth coalition, appealed to Government to engage the youth consistently in the implementation of the Agricultural Programs; such as the Efi Igbo Project, Enugu Rice brand, and Cassava etc. It will create employment for youth's and discourage youth restiveness and violence.

Appreciation/ Question 3: By HRH Igwe H.A Edeani (Traditional Ruler Nkanu East): He appreciated the Government of Enugu State for the much it has done in rural roads. He appealed that much more be done in rural roads to enable agricultural produce to be transported to where they are needed and to reduce migration of youths to urban areas. He further enquired on -

- How often will a project - like road project be captured in an appropriation law before it will be given priority of implementation?

.Question 4: By Mrs. Virginia Obianya (CIRDDOC): She asked, with the present bad condition of the Economy in Nigeria and Enugu State not being an oil State;

- How can the Hon. Commissioner for Budget & Planning refocus his attention on the situation surrounding the beggars, baby homes, and helpless and aged-persons so that death rate which has been on the increase can be controlled using the Ministry of Gender Affairs and Social Development as a tool. She however commended the State Government for considering and inculcating the minimum wage in the revised 2020 appropriation bill. She also asked for explanation in the increment in the Aids & Grants as presented by the Hon. Commissioner for Budget and planning.

Suggestion: By Barr. Chibuzo Crownwell (Citizens Co-chair OGP –a CSO): He urged the Government to leverage the Technology associated with COVID-19 lessons by Enugu State Institutions as a means of re-distributing the scarce revenue of the

State and stabilizing IGR shortfall in the state. He further asked whether provision was made for the primary health care needs in the ongoing amendment to the 2020 appropriation Law.

More so, the Hon. Commissioner for Gender & Social Development Hon. Mrs. Peace Nnaji suggested that gender issues should be streamlined in the appropriation amendment. She gave examples with beggars and mad people roaming the street of Enugu and demanded to provide for in the amendment.

HRH. Igwe Paul A. Ogbodo of Amankwo Ngwo, recommended that Enugu State should embark on cattle rearing. He also listed the benefits gotten from cattle rearing.

Detailed answers were provided to questions raised to the satisfaction of the participants, the responses include:

The Hon. Commissioner for Budget and Planning Dr David O. Ugwunta replied to some questions asked by citizens, explaining in detail the grants obtained by government to carry some infrastructure activities in the State.

Also the Commissioner for Health Dr. Obi Emmanuel informed the participants that the Enugu state Executive Council (EXCO) had factored the primary health care system into the state programme. On Diagnostic Centre, the commissioner said that the beds were ready while the health personnel were soon to be moved in with drugs.

Furthermore, the Commissioner for Finance & Economic Development: Mrs. Ada-Ona, Kene-Uyawne responded to the issue of training, skill acquisition and ICT for the Youth, stressing that Information-Technology embarked upon by the state government was the best way to empower the youth. She also informed the youth representatives that government had long prepared for the youth ICT engagement, which was stalled by the COVID-19 intervention. She thanked the stakeholder for thinking in line with the government in his question. She promised that the ICT issues will serve as the post-lockdown stimulus by the Government of Enugu State. She also talked on funding ICT and provision of empowerment for the teaming youth as provided by the amendment to the 2020 appropriation Law.

Closure

The forum was brought to an end after grueling minutes of intellectual engagement. The closing remark was given by Hon. Commissioner for Ministry of Budget & Planning Dr Ugwunta David O.

At the end of the session, the stakeholders officially endorsed the government's proposed amendment of the 2020 appropriation Law with the necessary alterations as inputted by the participants as a true reflection of the views and aspiration of the stakeholders in the session.

Signed: ...

Dr David O. Ugwunta

Hon. Commissioner

Ministry of Budget & Planning

Signed: ...

Igwe

Agubuzo

Lawrence

Traditional Ruler

Signed:

Mr Casmir C. Ugwu

Permanent Secretary

Signed: ...

Barr. Chibuzo Crownwell

Co-Chairman OGP, CSO