

**2019 Budget Process – Town Hall Meeting with the
Citizens and Other Major Stakeholders**

Setting the Stage for Citizens' Inputs

A Presentation by
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6th September, 2018

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Introduction - *The Constitutional Premise*

“... the security and welfare of the people shall be the primary purpose of government...”

and that

“... *the state shall harness the resources of the nation and promote national prosperity ... in such manner as to secure the maximum welfare, freedom and happiness of every citizen ...*”

Section 120 of the Constitution of the Federal Republic of Nigeria, 1999 stated *inter-alia*, that...

“... all revenues or other moneys raised or received by a State ... shall be paid into and form one Consolidated Revenue Fund of the State...” adding that *“... no moneys shall be withdrawn from the Consolidated Revenue Fund of the State except to meet expenditure that is charged upon the Fund by this Constitution or where the issue of those moneys has been authorized by an Appropriation Law, Supplementary Appropriation Law*

That means, Governments, at all times, shall consciously and proactively:

- ... seek to continuously improve the socioeconomic wellbeing of its citizens;
- ... based on a coherent development blueprint;
- ... consistent with local conditions in terms of development priorities and citizens' aspirations; and
- ... within the constraints of resources availability

The State Comprehensive Development Framework (CDF)

- The CDF is the Overall State **Policy Document** containing the Socioeconomic Development and Reform Agenda of the State Government;
- The CDF provides a concise and logical exposition of the **State Development Strategy** with clearly defined sectoral policy objectives, targets, priorities and the underline strategies for their attainment;
- The CDF serves as a medium term development policy blueprint which also provides a Vision and Mission that is long term in perspective;
- The CDF was developed full participation of the citizens including several Focus Group Discussions with Stakeholders.

Overall Medium-term State Development Policy Objectives

- i. Addressing critical areas of human development and opening up new frontiers of an inclusive economic growth;
- ii. Attainment of higher growth rates in the outputs of the 'real sectors' of the State's economy such as agriculture and small-scale enterprises;
- iii. More capable and productive human resources; will also be required;
- iv. Appropriate integration and pursuit of the seventeen Sustainable Development Goals (SDGs) by all sectors;
- v. Pursuit of Local Governance, Mobilization and Community Development

Specific Policy Objectives and
Medium Term Targets for major
MTSS Sectors including Education,
Health, Agriculture, Water &
Sanitation, Critical Infrastructure,
Commerce & Investments and
Environment;

The MTEF Projections...

FISCAL FRAMEWORK FOR 2019 - 2021 MTSS AND 2019 BUDGET				
Items Descriptions	Approved Estimates	Medium-Term Projections		
		2019	2020	2021
National Inflation Rate	12.50%	11.00%	10.50%	10.00%
National Real GDP Growth Rate	2.5%	2.5%	3.0%	3.0%
Oil Production Benchmark (million barrels/day)	1.800	1.800	1.800	1.800
Oil Price Benchmark in US\$ / barrel	45	55	50	50
NGN:USD Exchange Rate (NGN to US\$)	305	305	305	305
VAT Growth Rate				
Mineral Ratio	40%	35%	35%	35%
Federal MTEF Parameters: Inflation for 2018: Inflation (12.42%; Oil Production (2.3 mbd); Oil Price (\$45/b; GDP Growth Rate (3.5 %); Exchange Rate (NGN305:1US\$).				
Approved 2018 Federal Budget: Inflation for 2018: Inflation (12.42%; Oil Production (2.3 mbd); Oil Price (\$51/b), GDP Growth Rate (4.8%); Exchange Rate (NGN305:1US\$).				
Fiscal Framework (Common Funds)				
Recurrent Revenue	2018 Approved	2019	2020	2021
Statutory Allocation	39,125,000,000	46,490,000,000	52,780,000,000	58,190,000,000
VAT	12,512,000,000	13,860,000,000	15,040,000,000	16,590,000,000
IGR	10,513,000,000	10,780,000,000	11,860,000,000	13,040,000,000
Excess Crude and Other Transfers	4,500,000,000	4,500,000,000	4,500,000,000	4,500,000,000
Recurrent LGA Grants [LEAs]	16,200,000,000	Contra-Entry	Contra-Entry	Contra-Entry
Recurrent LGA Grants [60% GHSB Personnel]	1,650,000,000	1,543,000,000	1,581,000,000	1,621,000,000
Total Recurrent Revenue	84,500,000,000	77,173,000,000	85,761,000,000	93,941,000,000
Transfer to Capital Development Fund	16,964,000,000	20,737,000,000	35,841,300,000	42,205,100,000
Other Capital Receipts				
Transfer from Gen. Reserves & Fed. Stab.	10,000,000,000	4,000,000,000	3,000,000,000	3,000,000,000
Internal Loans	-			
External Loans	4,432,000,000	Contra-Entry	Contra-Entry	Contra-Entry
Non-discretionary Budget Support Loan	1,800,000,000	-	-	-
Capitalised Grants & Reimbursements	33,938,000,000	Contra-Entry	Contra-Entry	Contra-Entry
Local Government Capital Contributions	4,000,000,000	3,600,000,000	3,600,000,000	3,600,000,000
Total Capital Receipts	54,170,000,000	7,600,000,000	6,600,000,000	6,600,000,000
Total Capital Development Discretionary Fund		28,337,000,000	42,441,300,000	48,805,100,000

The MTEF Projections...

Items Descriptions	Approved Estimates	Medium-Term Projections		
		2019	2020	2021
Stabilization, Planning Reserve & Contingency	1,000,000,000	4,800,000,000	1,200,000,000	1,200,000,000
Retained Revenue	83,500,000,000	72,373,000,000	84,561,000,000	92,741,000,000
Recurrent Expenditure				
Public Debt Charges [CRFC]	4,442,000,000	2,850,000,000	2,848,000,000	2,848,000,000
Pensions & Gratuities [CRFC]	600,000,000	566,000,000	551,700,000	537,900,000
Total CRFC	5,042,000,000	3,416,000,000	3,399,700,000	3,385,900,000
Personnel Costs (State MDAs)	26,514,000,000	26,890,000,000	28,240,000,000	29,650,000,000
Personnel Costs (LEAs)	16,200,000,000	Contra-Entry	Contra-Entry	Contra-Entry
Other Recurrent Expenditure	18,780,000,000	21,330,000,000	17,080,000,000	17,500,000,000
Sub-Total [Personnel and Overheads]	61,494,000,000	48,220,000,000	45,320,000,000	47,150,000,000
Total Recurrent Expenditure	66,536,000,000	51,636,000,000	48,719,700,000	50,535,900,000
Total Capital Development Discretionary Fund		28,337,000,000	42,441,300,000	48,805,100,000
Total Budget Size (Excluding Non-discretionary Funds)		84,773,000,000	92,361,000,000	100,541,000,000

Nature of Citizens' Inputs

- i. Consolidated and harmonized inputs received from the grass-roots as championed and facilitated by concerned Civil Societies;
- ii. Preference for broad sectoral aspirations, development objectives and priorities as opposed to specific projects in specific locations especially those of routine nature;
- iii. Inputs should be comprehensive by looking at both the income expenditure components of the budget and could include refinement of existing policy objectives and legislations or evolution of new ones;
- iv. Should be realistic, feasible and relevant.

THANKS FOR
LISTENING