

BAYELSA STATE GOVERNMENT OF NIGERIA

A REPORT ON COVID-19 RESPONSIVE CITIZENSHIP PARTICIPATORY MEETING TO REVIEW THE 2020 APPROPRIATION LAW

MONDAY, 28 JULY, 2020.

INTRODUCTION

Following the Covid-19 Pandemic which occasioned the current global economic downturn it became imperative for the Bayelsa State Government to review the 2020 Appropriation Law.

In response to this need, the State Government organized a Covid-19 Responsive Citizenship Participatory Meeting to review the 2020 Appropriation Law. Stakeholders from different works of life attended as invited by the Governor, while others attended through a virtual platform created by the Government with access codes in compliance to COVID 19 protocols.

To lay the background for the discussion, the State Governor, Senator Douye Diri presented a Summary of Budget Estimate that embodied the assumptions, the 2020 Appropriation Law and the proposed Revised Budget Estimate where non-essential expenditures were removed.

KEY BUDGET ASSUMPTIONS

The following assumptions were made in the 2020 fiscal year original appropriation Law and as well on the estimated Revised COVID Responsive Budget. The table below depicts the comparative result of the revised action:

S/N	INDICES	ORIGINAL BUDGET MTEF BASED ASSUMPTIONS	REVISED COVID 19 RESPONSE ASSUMPTIONS	EEFFECT ON REVISION
1	CRUDE OIL PRICE	US \$55	US\$20	- US\$35
2	CRUDE OIL PRODUCTION	1.7 MBPD	1.7MBPD	0.0MBPD
3	EXCHANGE RATE NGN: USD	US\$305	US\$360	US\$55
4	INFLATION RATE	11.02%	14.13%	3.11%
5	REAL GDP GROWTH	3.01%	-4.42%	-4.42%
6	MINERAL RATIO	19.5%	24.5%	5%

COMPARATIVE BUDGETARY INFORMATION

The need to revise the Budget to face the existing realities resulted in rearticulating the State Budget to a new Budget Size of ₦183.16 billion as against ₦242.19 billion that was in the original Budget.

The Proposed Receipts and its relationship with the Original Budget is as follow:

S/ N	ITEM	ORIGINAL BUDGE N =	REVISED PROPOSAL N =	% INCREASE/ (REDUCTION)
1	Statutory Allocation	41,159,986,414.00	25,735,000,000.00	(37.47)%
2	13% Derivation	90,543,560,279.00	64,757,647,582.00	(28.48)%
3	VAT	10,624,244,509.00	9,796,403,415.00	(7.79)%
4	IGR	16,000,000,000.00	10,000,000,000.00	(37.50)%
5	FGN Reimbursement/Grant /other FAAC receipts	44,177,000,000.00	53,478,650,098.4	21.73%
6	Loans	39,682,310,750.00	5,500,000,000.00	(86.21)%
7	BALANCE B/F		13,620,271,315.00	
		242,187,101,952.0 0	183,155,572,411.73	(24.37)%

Below is the comparative expenditures of the Original budget and proposed budget estimate;

S/N	ITEM	ORIGINAL BUDGET N	REVISED PROPOSAL N	% INCREASE/ (REDUCTION)
1	Personnel Cost	51,646,082,757.00	51,646,082,757.00	0.00%
2	Overhead Cost	64,442,149,281.00	30,071,327,222.00	(53.34)%

3	Consolidated Revenue Fund Charges--- (Pension & Gratuity, G32, FGN Deductions, Debt Repayment etc.)	78,125,152,084.00	66,653,915,838.00	(14.69)%
4	Capital Expenditure	47,973,717,836.00	34,784,246,602.00	(27.49)%
		242,187,101,958.00	183,155,572,419.00	(24.37)%

DEDICATED COVID 19 RESPONSIVE EXPENDITURES

OVERHEAD EXPENDITURES

The Governor Stated that the sum of N29,483,758,000.00 which is 15.98 % of the entire budget will be dedicated for COVID 19 Responsive activities. Of this amount, N2,550,000,000.00, is the overhead component which represents 1.38% of the COVID Responsive revised budget and was estimated as follows;

Administrative Sector

S/N	MDA	PURPOSE	AMOUNT
1	SA Security	Compliance monitory on COVID protocols	400,000,000.00
2	General services (SSG Office)	Palliatives (Food stuff, cash distribution)	500,000,000.00
3	Ministry of Information	Public enlightenment (Radio jingles, documentaries on Television and Radio)	500,000,000.00
	TOTAL		1,400,000,000.00

Economic Sector

S/N	MDA	PURPOSE	AMOUNT
1	Ministry of Finance	SMES interventions (starter packs and cash donation)	100,000,000.00
2	Ministry of Budget	SMES interventions (starter packs and cash donation)	200,000,000.00
3	Board of Internal Revenue	SMES interventions (starter packs and cash donation)	200,000,000.00
	TOTAL		500,000,000.00

Social Sector

S/N	MDA	PURPOSE	AMOUNT
1	Ministry of Health	Drugs, Laboratory and Medical supplies.	250,000,000.00
2	Ministry of Environment	Cleaning, Fumigation and decontamination of hospitals and other public offices and places eg market, parks, clearing and cleaning of dump sites.	400,000,000.00
	TOTAL		650,000,000.00

CAPITAL EXPENDITURES (COVID 19 RESPONSIVE EXPENDITURES)

As earlier stated, the sum of N29,483,758,000.00 is dedicated for COVID 19 responsive activities for the entire revised budget estimate. Out of it, the sum of N26,933,758,000.00 is earmarked for Capital COVID 19 Responsive expenditures, which represents 14.6% of the entire COVID 19 dedicated expenditures. Find below the breakdown;

Administrative Sector

S/N	MDA	PURPOSE	AMOUNT
1	Ministry of Special Project	Provision of Infrastructure (upgrading of health facilities, provision of PPE, sanitary equipment and face masks)	300,000,000.00
			300,000,000.00

Economic Sector

S/N	MDA	PURPOSE	AMOUNT
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1	Ministry of Agriculture	Agricultural Facilities (Acquisition of land, purchase of agricultural equipment, cassava farms, fish farms and rice farm)	3,000,000,000.00
2	Ministry of Works	Construction and rehabilitation of access roads to health facilities	19,683,758,000.00
			22,683,758,000.00

Social Sector

S/N	MDA	PURPOSE	AMOUNT
1	Ministry of Health	Provision and upgrading of health facilities	2,450,000,000.00
2	Ministry of local Govt Chieftaincy and Community	Provision and upgrading of health facilities, PPE, sanitary equipment, face masks in LGAs	1,500,000,000.00
			3,950,000,000.00

GRANTS

The government budgeted for counterpart funds of the various Agencies in order to develop primary school infrastructures and provision of educational materials and well as basic water amenities and road infrastructures.

INTERNAL GRANTS

S/N	ITEMS	AMOUNT
1	SUBEB	3,600,000,000.00
2	SDGS	1,600,000,000.00
		5,200,000,000.00

EXTERNAL GRANTS

S/N	ITEMS	AMOUNT
1	SFTAS	2,180,000,000.00
2	SEEFOR	2,500,000,000.00
		4,680,000,000.00

PERSONNEL COST

The Governor reiterated that the budgeted amounted of N51,646,082,751.00 for personnel cost as was appropriated. According the Governor, the State Government will continuously pay serious attention on the payment of workers' salaries and pension to its workers despite the decline of revenues.

PENSION AND GRATUITY

In response to COVID 19 pandemic, Pension and Gratuity was reduced to N35,000,000,000.00. However, the Governor stated that the State Government will endeavor to migrate all civil servants to the contributory pension scheme in-order to avoid the accumulation of pension liability in a phase dimension.

PUBLIC DEBT CHARGES

The reduction of debt services to N31,653,915,836.00 against the original budget was purposely to make funds available in meeting essential government expenditures.

CAPITAL EXPENDITURES

In order for the state to protect its citizens, the Government will construct more roads and rehabilitate existing roads infrastructures to enable citizens to have access to health facilities both in the rural areas and the urban cities. More so, existing health facilities will be rehabilitated and new hospitals will be built primarily to improve the health care infrastructure architecture in-order to increase the access to better health care. In furtherance, the state government will invest in agriculture to make food available and affordable, especially in the COVID-19 period.

Capital expenditure was reduced by 27.49% from N47,973,717,836.00 in the original budget to N34,784,246,602.57 in the COVID 19 revised budget estimate leading to a reduction of N13,189,471,233.43. Details of capital expenditures on sectoral basis is provided below:

TABLE (6)

S/ N	SECTOR	NOT E	ORIGINAL BUDGET	REVISED BUDGET	DIFFERENCE	COVID RESPONS E
1	Economic	25	25,400,937,836.00	27,886,804,448.44	2,485,866,612.44	12.30%
2	Social	26	7,930,000,000.00	3,412,795,973.50	4,517,204,026.50	2.14%
3	Law and Justice	27	2,900,000,000.00	695,738,954.27	2,204,261,045.73	0.0%
4	Administrative	28	11,742,780,000.00	2,788,907,226.36	8,953,872,773.64	0.16%
			47,973,717,836.00	34,784,246,602.57		

COMMERCIAL BANK LOANS

The sum of N39,682,310,750.00 was earmarked for commercial loan in the original budget. This amount is reduced to N5,500,000,000.00 in the COVID 19 revised budget estimate resulting in a reduction of N34,182,310,750.00. The downward review is to enable the State to concentrate on projects based on current projection of the fiscal year and sources that are realistic, accessible and will not result in accumulation of more liabilities. The State plans financing the budgeting gap through commercial loan amounting N5,500,000,000.00. This revised estimate is 2.98% of the entire budgetary provision of the financing activities.

The sum of N2,500,000,000.00 will be secured for Health infrastructure through Fidelity Bank on Central Bank of Nigeria Health Scheme facility in response to COVID 19 pandemic. The facility has a twelve months' moratorium with a tenor of ten years. While the balance of N3,000,000,000.00 is from the Accelerated Agricultural Development programme (AADS). The facility has a twelve months' moratorium and will be obtained through Access Bank. It is also a CBN funding scheme. Funds obtainable through this medium have better repayment period and moratorium.

Conclusively, according to the Governor, the Budget is to consolidate on the prosperity of the State and to ensure that expenditures are trimmed down to prioritized activities.

RESOLUTION

After extensive deliberations, participants arrived at the following resolutions:

1. The review has become necessary in the face of the Covid-19 Pandemic, to give Bayelsans a true reflection of the Prosperity Budget.
2. Participants supported the review in view of reduced Allocation and an equally reduced Internally Generated Revenue (IGR) in the State.
3. Participants accepted the proposed review of the 2020 Appropriation Law, as espoused by the Governor.
4. Participants also urged the Governor to ensure the prompt payment of salaries to avoid the accumulation of arrears.
5. That the Governor, Senator Douye Diri deserves commendation for organizing the Citizenship Participatory Meeting because such meetings constitute an essential pillar in accessing grants from Donor Agencies.
6. Participants resolved that in order not to face another setback in realizing the financing objectives of the budget, the Government should ensure that counterpart funds are made timely to attract the desired funding.

7. That every effort should be made to ensure that the Budget Review does not affect critical, life touching projects.
8. That Government should encourage SMEs and also explore means of Employment Generation as it is budgeted.
9. COVID 19 Responsive Expenditures should be strictly followed in-order to achieve the desired results.
10. That the budget envelop of the all the MDAs shall be funded proportionate to accrued revenues.

SIGNED BY

- (1) Rt Hon Monday-Bubou, Edwin Obok
Majority Leader, Bayelsa State
House of Assembly
- (2) Godson Jimboran
EXECUTIVE DIRECTOR
MTC-JIM FOUNDATION
- (3) Chief Marku Oboye J.P.
President, Ebimeni Fiship Union
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- (4) Poyesi, Wisdom Richard
Spokesman, Bayelsa Forward Movement
5. DCM. ELIZABETH BIDEI
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6. Mrs Georgina Okoko Community Chief
7. Patricia Ebegi - Comm. Woman Leader
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9. Timinepere Jumbo Idoko
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10. E Cukhe KEMESIO - NIGER DELTA ADVOCACY movement
President

11. Angese John - National Trustee NUJ
Representing South-South.

12. HRM. KING K. S. JOSHUA IGBURU JP CON
TRADITIONAL RULERS COUNCIL

13. HRM King Bubaraye Dakolo, Agada IV
Traditional Ruler's Council of Bayelsa
State.

14. Chief (Hon) K. S. Bidoughebo
Chairman ALGON BAYELSA STATE

15. Robinson Kuroghogha David
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