



ELIP=Initiative (PMP)

Motto: Towards improved service delivery

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29th July, 2020

The Permanent Secretary
Budget and Economic Planning Directorate
New Secretariat Complex
Dutse, Jigawa State

Dear Sir,

SUBMISSION OF JIGAWA STATE CITIZENS' INPUTS TO 2020 BUDGET

Your letter DOB/BGT/S/247/Vol.1/XX dated 6th April, 2020 is under reference please.

2. Let me first appreciate the foresight of the Budget and Economic Planning Directorate in seeking for inputs of concerned citizens of Jigawa State represented by the Civil Society Groups as the State Government reviews the 2020 Approved Budget. You would recall that the town hall meeting held in September, 2019 on the preparation of 2020 Budget was also jointly coordinated with the PMP after harnessing citizens' inputs from across the State. Therefore, the decision to consult with our CSO Coalition once more is well appreciated please.

3. As you are very much aware, Exceptional Leadership and Integrity Promotion Initiative (ELIP-Initiative) also known as Project Monitoring Partnership (PMP) is a civil society organization working on Public Financial Management and Social Auditing. The Initiative has been conducting periodic consultations, policy analysis, budget reviews, tracking and monitoring their implementations for over a decade.

4. Sequel to your letter referenced above, ELIP took appropriate steps to ensure citizens' involvement and participation in the budget review processes with a sense of ownership and sustainability towards the development of their communities and the State as a whole. Even with the COVID-19 restrictions, with strict observance of social distancing measures, we took necessary steps to harness as much as possible. It is pleasing to report that in addition a number of members of media and civil society, some State Government officials have also actively participated in the Stakeholder meeting held on Wednesday 8th April, 2020 at the conference room of Due Process and Project Monitoring Bureau, State Secretariat which was convened by ELIP with the support of PERL-ECP. The stakeholder meeting was preceded by collation of the citizens' input using CSOs working on different sectors and media as well as a radio phone-in program with Freedom Radio organized by Project Monitoring Partners. Having jointly reviewed and harmonized the various inputs, the synthesized report is submitted herewith as a memorandum for the consideration of the State Government.

5. On the whole, citizens advocates that an appropriate review of all components of the budget including both income and expenditure. However, expenditures cuts must be done such that the already excluded

groups and vulnerable are not left to bear the brunt of the economic contraction brought about by the COVID-19 Pandemic. Also, where appropriate the tax net should be expanded to include personal income tax. Highlight of other inputs in the report include review of payment to NYSC monthly allowance; efforts to access the Ecological Fund of the Federal Government for more income to address some of the environmental challenges; suspension of the construction of new health facilities and consider the functionality of the 287 ward health facilities; That Women Empowerment Programs should be given utmost consideration; continued prioritization of Agriculture. Also Government should ensure COVID do not affect access to water and sanitation in order not to worsen the situation as well as prioritize and ensure the completion of ongoing of on-going projects such as in the roads, education and health sectors removing new projects;

6. Finally, it is our hope that the Budget and Economic Planning Directorate, in line with present administration's responsiveness to yearnings and demands of citizens as well as belief in participatory governance, will study the inputs and respond positively to the demands of their communities. This we believe would encourage further citizens' participation in budgetary and governance matters in general.

7. This letter and the report are copied to the Chairman House Committee on Appropriation, Jigawa State House of assembly.

8. Yours faithfully.



Isah Mustapha
Executive Director/Coordinator
ELIP-Initiative (PMP)

**MEMORANDUM TO THE STATE EXECUTIVE, STATE ECONOMIC
COUNCIL AND THE LEGISLATORS ON THE REVISED 2020 BUDGET BY
CIVIL SOCIETY ORGANIZATION, 8TH APRIL, 2020**

EXECUTIVE SUMMARY

Beyond the tragic health hazards and human consequences of the COVID-19 pandemic, the economic uncertainties, and disruptions that have resulted come at a significant cost to the global economy. The slowdown in the global economy and lockdown in some countries, such as Italy, Spain and most Eurozone economies and beyond, as a result, COVID-19 has also taken its toll on the global demand for oil. The decline in oil demand is estimated to surpass the loss of nearly 1 million barrels per day during the 2007-08 recessions. This is also coming at a time when two key players in the global oil industry – Russia and the OPEC cartel – are at loggerheads on the decision to cut output. The unequivocal oil price war started between these two global oil market giants may have more dire consequences on the oil price that has started to dive.

The Organization for Economic Co-operation and Development warned on 23 March that, the shock from the virus is already bigger than the global financial crises. OECD said many countries would fall into recession and countries would be dealing with the economic fallout of the COVID 19 for years to come. “even if you don’t get a worldwide recession, you are going to get either no growth or negative growth in many of the economies of the world, including some of the larger ones, and therefore you’re going to get not only low growth this year , but also its going to take longer to pick up in the future”.

Likewise the conventional policy measures currently being taken such as reducing interest rates and costs of borrowing, tax cuts and tax holidays are quite remarkable. However, these conventional policy measures are quite potent when there are demand shocks. There are limitations to the successes that can be recorded when demand shocks are combined with supply shocks. It is already apparent from the emergence of the current crisis that there are implications on the economy from both the demand and supply sides. Some of the demand factors include social distancing with consumers staying at home, limitations

in spending and declining consumptions. On the supply side, factories are shutting down or cutting down production and output, while in other instances, staff work from home to limit physical contact.

Equally the decision to close educational institutions and schools around the globe in an attempt to contain the pandemic has also led to a soaring number of children, youth and adults not attending schools. According to UNESCO Monitoring report on COVID-19 educational disruption and response, the impact of school closures in the over 100 countries that have implemented the decisions around the world has impacted over half of the global students' population. These educational disruptions are being escalated particularly for the most vulnerable members of society.

Therefore in the spirit of open governance, co-creation and effort towards institutionalization of participatory budgeting processes at all strata of society to support participatory budget ELIP-Initiative popularly known as Project Monitoring Partnership (PMP), coordinate and facilitates the collection of citizens revised 2020 budgets

Objectives

To collect citizens inputs into the revised 2020

To analyzed and validate the inputs with CSOs

To share the findings with relevant stakeholders

METHODOLOGY

The following methods were adopted for the exercise;

- Development of simple tool for generating inputs
- Analysis of Findings
- Involvement of CSOs working on sectors
- Share the analyzed 2020 citizens inputs generated via whatsapp

Stakeholders Meeting at DPPMB Conference Room on the review of 2020 Budget



- Radio phone-in program to sensitize general public on 2020 revised budget for more inputs
- Collection and collation reprioritized inputs from CSOs
- Conduct one day physical validation meeting
- Shared the analyzed citizens' inputs into the revise 2020 budget State Executive, State Economic Council and the Legislators

Outcomes

Bracing up for COVID-19 consequences on the Nigerian economy

For most developing economies, the odds of sliding into a downturn are gradually expected as the global coronavirus outbreak puts severe pressure on the economy. For Nigeria, the country is still sluggishly grappling with recovery from the 2016 economic recession which was a fall out of global oil price crash and insufficient foreign exchange earnings to meet imports. In the spirit of economic recovery and growth sustainability, the Nigerian federal budget for the 2020 fiscal year was prepared with significant revenue expectations but with contestable realizations. The approved budget had projected revenue collections at N8.24 Trillion, an increase of about 20% from 2019 figure. The revenue assumptions are premised on increased global oil demand and stable market with oil price benchmark and oil output respectively at \$57 per barrel and 2.18 Million Barrels Per Day.

The emergence of COVID-19 and its increasing incidence in Nigeria has called for drastic review and changes in the earlier revenue expectations and fiscal projections. Compared to events that led to recession in 2016, the current state of the global economy poses more difficulties ahead as the oil price is currently below US\$30 with projections that it will dip further going by the price war among key players in the industry. Unfortunately, the nation

has grossly underachieved in setting aside sufficient buffers for rainy days such as it faces in the coming days. In addressing these daunting economic challenges, the current consideration to revise the budget downward is inevitable. However, certain considerations that are expected in the review must not be left out. The assumptions and benchmarks must be based on realizable thresholds and estimates to ensure optimum budget performance, especially on the non-oil revenue components.



Furthermore, cutting expenditures must be done such that the already excluded group and vulnerable are not left to bear the brunt of the economic contraction. The Comprehensive Development Framework which has the aim of increasing socioeconomic wellbeing by creating jobs and providing support for the poorest

and most vulnerable members of society through investments in social programs and providing social amenities will no doubt suffers some setbacks. Besides, the downward review of the budget and contractions in public spending could be devastating on poverty and unemployment. The last unemployment report released by the National Bureau of Statistics (NBS) ranks Nigeria 21st among 181 countries with an unemployment rate of about 23.1%. The country has also been rated as the poverty capital of the world with an estimated 87 million people living on less than \$2 a day threshold.

Basically, Jigawa state government essentially must lead economic diversification drive. It is one practicable way to saddle through the current economic uncertainties and instabilities. What the consequences of COVID-19 pandemic should further offer the economic managers and policymakers, is that the one-tracked, monolithic reliance on oil

is failing. Diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors should be further intensified.

While reviewing the 2020 macroeconomic indicators the stakeholders should expand its tax net to include personal income tax. Likewise a further scrutiny into contractors data base shows most of the major contractors have no office in the state which invariably affect our FAAC and independent revenue.

Equally government should consider the following while reviewing its capital allocations

Recurrent non debt.

Government should review the cost of governance

Government should revisit the payment to NYSC monthly allowance

Government should pass track the conversion of motorise water scheme to solar

Government should backpedal its policy of converting streetlights to solar

Capital

Government should maintained its policy of completing ongoing project

All ongoing projects should be coated and reprioritise

Projects and programs that will maintained and increase the gains should be the priority of the government

Environment

Government should access Ecological Fund and other sources of environmental fund

The Jigawa state forest cover below the FOA recommendation, government should prioritize afforestation projects e.g. Seedlings Production

Flooding must be given attention, the recent report by NIMET shows that, state should get ready for flooding in 2020

Education

Government should ensure completion of all ongoing projects particularly JICORAS and Mega Schools

SUBEB -

Government should prioritize establishment of new schools instead of building additional structures in the existing ones to address issues of out of school children, drop out and distance

No matter the situation government should provide training of teachers



HEALTH

Government should suspend the construction of new health facilities and consider the functionalities of 287 health facilities per ward, with adequate human resources and equipment

Government should strive to meet its commitment on nutrition and child spacing programs

Women Affairs

Women empowerment program should

be given utmost consideration

MINISTRY OF AGRICULTURE

The sector prioritized the following:

1. Disease control and eradication of livestock
2. Crop production which if not done may lead to outbreak and low productivity
3. Conflict resolution through development of grazing reserves

MINISTRY OF WATER RESOURCES

These projects should be given consideration

1. Kazaure pipeline distribution
2. Implementation of Dutse Water System
3. Sanitation projects

MINISTRY OF WORKS

Priorities should be given to the following projects

Ongoing projects

Diginsa- Birniwa road

Birnin Kudu-Zaziga Feeder road

Miga and Kiyawa township roads

Zandam nagogo township roads

Kaugama -M/Madori feeder road

Rehabilitation of Darai -Gilima road

Rehabilitation of Kadira -Guri road

Turawa-Warwade-Jigawa-Sakwaya road

Guri, Kazaure and Hadejia township roads

Dualization of old police headquarters road

Dutse Phasa I and II

completing of Ibrahim Aliyu bypass

Empowerment

Government should make provision to support, SMEs and marketers who lost their business

Adequate provision should be made to support post COVID emerging business

We hope the state will be able to meet its obligations.



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ELIPI-Initiative (PMP)



Aminu S./Hatsi Kudai
Director Budget
BEPD