

NIGER DELTA BUDGET MONITORING GROUP



STATEMENT

NDEBUMOG

STATEMENT ON THE 2012 BUDGET BILL

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NDEBUMOG 2012

BUDGET 2012: What The Legislature Should Do

Over-bloated Security envelope

THE whole chorus of transformation has turned out to be a misnomer, going by the details of the 2012 budget proposal. No nation can transform with 72 percent of its annual budget going for recurrent expenditure. For the operators of government to reel in such percentages over the years, is an indication that just a few in the political class are sucking the budget.

Surprisingly, anticorruption agencies are yet to take critical look at agencies of government, which have been beneficiaries of bloated expenditures.

For Nigeria to transform rapidly, the *Niger Delta Budget Monitoring Group (NDEBUMOG)*, is of the opinion that the national budget should be restructured, with the recurrent not exceeding 30percent. The reality is that, a bogus recurrent is a waste pipe that assists bureaucrats who make projections without margin templates. It is certain that operators of state would fret over a 70/30 percent ratio for capital over recurrent. But the reality is that an unchecked recurrent, without impact on governance means people are collecting salaries and overhead for doing nothing and not stimulating growth in other sectors.

Further, Security alone is projected to cost N921.91 Billion (almost a Trillion) being 19.41percent of the overall expenditure projection for 2012. This mindboggling projection, without looking at the genesis of the insecurity is not realistic. We call on the National Assembly to slash the figures by half to about N410 Billion, with the balance put into job generation, social security and completion of National Identity Management Scheme, Neighbourhood Watch (Youth Oriented) Scheme, and Ex-Service Men/Elderly Responsible Intelligence Gathering Outfits, among others.

Security budget is understandably outside areas where the Public Procurement Act 2007 could oversight. The Commander-in-Chief has the prerogative of using the (security) funds, and such discretion could be abused under the shadow of 'National Security Confidentiality. Moreover, if N410 Billion were judiciously applied, it could procure massive recruitment into the Police, State Security Services, the Army, Navy, Air force, Civil Defence, National Intelligence Agency, Nigerian Airport Authority, among others. Part of the funds could also be used for specialise (security) procurements, including boosting air surveillance. We must caution though, that, the welfare of men and

women of Nigeria's Armed Forces should not be taken for granted. They need good welfare incentives as a stimulation to engage emerging terrorism.

Irrespective of any welfare incentives, it should be realised that (they) security personnel also suffer from the general economic woes of our nation and do not have a separate market; neither are they isolated from the extended African family system, which exerts considerable financial pressure.

Works Ministry

How much does it cost the Federal Government to construct one kilometre of road? And so, how many kilometres of road would the Budget proposal of N180 Billion (3.81percent) construct or rehabilitate nationwide? That is a mockery and portends lack of concern about tens of hundreds of lives lost daily due to bad roads.

Aviation

Nigeria's airports remain humiliating and demeaning portrayal of our national identity. Yet, a token N49 Billion is projected for the Aviation sector, possibly in an envelope consisting of both capital and recurrent. How then is the government serious about constructing world-class airport facilities and services?

Even within the MTEF framework, there is no sign that such a budget could do magic in the course of three or four years.

Petroleum

If government were serious about the Petroleum Industry Bill (PIB), it would reflect in budgetary proposals for the Petroleum Ministry. N59.74 Billion for the Ministry is not realistic, when in actual sense that Ministry should be shedding the bulk of its responsibilities over NNPC. The corporation should by now be unbundled, with zero allocation for it to compete with the likes of Petro Brass, Chinese Energy etc; thus freeing the sector of corruption. If the National Assembly wants Nigerians to take them serious, beyond media solidarity, they should find out what the allocation for the Petroleum Ministry is set to achieve.

Niger Delta

It is difficult to advocate an envelope enlargement for the Ministry of Niger Delta Affairs, having not seen any infrastructural transformation and human revival by that Ministry, which bureaucrats blame on poor funding. A projected budget of N59.74 Billion 1.25percent for a Ministry covering nine states is a clear indication of lack of any political will to transform the region. The NDDC got over N200 Billion in 2011 and should get within that aggregate in 2012, therefore, the NDDC and the Niger Delta Ministry cannot be seen to be running a rat race within the Niger Delta. It is either one is given a policy direction to superintend the other, with a view to having a uniform agenda for the region.

Fuel Subsidy

On fuel subsidy, the government needs not to take Nigerians back to the dark days of deception. The fact remains that Nigerians should excavate raw facts about the cost of oil production from the technical department of the Nigerian Extractive Industries Transparency Initiative (NEITI), in order to establish whether there is subsidy or not. Nigeria ranks among countries having the highest cost dislocation on oil production, with a situational cost flow running from upstream to the downstream. Does the subsidy really exist or government is just subsidising corruption and transferring that to millions of poor citizens?

If subsidy exists, let the government put the cost in the 2012 budget and rather than allocate it as such, put the fund in a dedicated account. Let there be a committee comprising the federal government, media, state governments, civil society, labour and the private sector to manage it. The fund should be used for the revival of critical infrastructure, free mass transportation scheme and providing employment. Insisting on subsidy removal connotes that the government wishes millions of Nigerians bad luck in the New Year.

At a time the Federal Road Safety Commission (FRSC) has taken over the job of FIRS, through imposition of outrageous charges for new vehicle plate numbers (even without any difference from what was in place), with thousands already groaning, added with plans to re-introduce toll gates, passengers service charges at airports, this budget looks like a task master's blueprint.

Unfortunately, Mr. President's budget speech made reference to increased financial activities in the banking sector. Such is a sad reference, because, that sector, rather than generate jobs has frozen jobs and given room to further casualisation of the workforce.

It is doubtful if up to 67percent of funds for 2011 budget have been released or have performed, at a time of massive poverty and social dislocations. Mr. President should encourage the National Planning Commission and the MDAs to fast track a national monitoring and evaluation framework, to expose discrepancies in government's income and expenditure.

We hope to do a sector-by-sector envelope analysis immediately the 2012 Budget Bill becomes an Act of the National Assembly.



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