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**2010 BUDGET IMPLEMENTATION WORKSHOP ON  
'STRENGTHENING BUDGET IMPLEMENTATION FOR  
ENHANCED PROJECT EXECUTION & SERVICE DELIVERY'**

Congress Hall, Transcorp Hilton, Abuja

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**Welcome Address by**

**Dr. Bright Okogu**

(Director-General, Budget Office of the Federation)

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It gives me great pleasure to extend a warm welcome to you all on this important occasion. The theme of this Workshop, ***'Strengthening Budget Implementation for Enhanced Project Execution and Service Delivery'*** was carefully chosen to underscore our intent to build on the results of last year's Workshop and also to focus attention on the importance of deliverables as the end product of effective budget implementation.

This workshop is necessitated by the outcome of our experience with the implementation of the 2009 Budget, which has, so far, been less than anticipated. The 2009 Capital Budget, excluding the Supplementary Budget passed in December, 2009, was implemented to about 60.6% as of December 2009. This Workshop also reflects Government's determination to fulfil its promise to deliver better results to Nigerians. You will recall that a number of deliverables were identified in Mr. President's 2009 Budget Speech, which were further emphasized in the 2010 Budget proposal. This is in line with Government's determination to focus on deliverables, rather

than just on mere allocation of resources amongst competing needs.

The budget is the instrument through which the Government undertakes its core function of development through its spending activities. In an economy like ours where Government has a significant presence, as a major driver of investment and aggregate expenditure generally, it is critical that moneys voted in the Budget - especially for capital projects - are actually spent on such projects. The challenges of the Nigerian economy are enormous, ranging from the well-known infrastructure gap to the security situation in the Niger Delta, poor quality medicare and the challenges in our schools. Quality spending in these critical areas is essential for the actualisation of Mr. President's 7-Point Agenda, the MDGs as well as the attainment of Vision 20:2020. It is therefore NOT a thing of joy to us in the Budget Office and the Ministry of Finance to see funds returned to the Treasury at the end of the fiscal year on grounds of the inability of MDAs to implement their budgets. It is not enough to seek increased budgetary allocations when the MDA is unable to spend. In fact, in many countries, the volume of fund allocations is partly related to the ability of the MDA to effectively utilise what is given to them in the previous year. We should be moving in that direction once the performance/program-based budgeting fully takes off.

This workshop builds on the findings and recommendations of the 2009 Budget Implementation Workshop. A study was conducted last year, in collaboration with the DFID and World Bank, to investigate the causes of low implementation of the 2008 Budget. Some of the findings of that study included the late passage of the annual budget, release of funds per project rather than bulk releases, delays in cash-backing, and, of course, procurement challenges. In the course of the 2009 fiscal year, each of these bottlenecks has

been addressed through bulk release of the capital vote to MDAs, full cash-backing of capital warrants and the decentralization of the procurement process. These measures were taken with the objective of achieving a higher capital budget implementation level. However, in spite of these drastic policy changes by the Government, aimed at improving the attainment of its development goals, performance is still below the level we would like to see. And late budget passage is no longer a tenable excuse because MDAs are allowed to commence their procurement processes ahead of the passage of the budget.

As a result of this low implementation of the annual budget, the National Assembly Committees through their oversight functions have consistently tasked us on the need to improve on budget implementation. In addition, they have granted the extension of capital budget implementation for 2009 to March 31, 2010. This year's Workshop will therefore focus not only on the technical challenges with budget implementation, but will seek to address any other issues that may have impeded effective capital budget implementation which will emerge from discussions during the course of this Workshop. With the increased involvement of key officials of various Committees of the National Assembly, Civil Society Organisations and other stakeholders in this year's Workshop, we intend to generate a diversity of views and recommendations which we hope will result in a more successful implementation of the 2010 Budget. This Workshop should also give us an opportunity to discuss the experiences of selected MDAs so we can learn from them and identify the critical factors behind their performance. In this regard, we have invited selected MDAs to share their experiences. I thank them for accepting our invitation in this regard. We have also invited some key speakers, including the Minister/Vice-Chairman of the National Planning Commission, Chief Economic Adviser to Mr. President, the Head of the

Civil Service of the Federation, the Senior Special Assistant to the President on the MDGs and the Director-General of the Bureau of Public Procurement to speak on different aspects of the budget implementation process. The breakout sessions will provide us with an opportunity to deliberate more closely on aspects of the subject matter.

It is our hope that among the outcomes of this workshop will be a fresh determination to have a successful 2010 budget implementation, driven by full commitment to achieve the promised deliverables. The Government expects nothing less than full implementation. In view of the importance Government attaches to the implementation of the Annual Budget, MDAs are required to promptly and accurately complete and submit the budget monitoring templates. This will, aside from helping Government track budget implementation, aid the rendition of periodic reports in line with the Fiscal Responsibility Act, 2007.

Distinguished ladies and gentlemen, I would like to use the opportunity of this Workshop to enjoin you to raise relevant issues that would help in proffering solutions to the challenges impeding the full implementation of the Annual Budget. Let me conclude by thanking the Distinguished Senators and Honourable Members of the House of Representatives, the Presidential Committee on the Budget, our Partners, (the World Bank and DFID), representatives of Civil Society Organisations, the media and all of you for your support.

Thank you very much for your attention.