

CENTRE FOR SOCIAL JUSTICE



(Mainstreaming Social Justice In Public Life)

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PRESS STATEMENT

MR PRESIDENT: SIGN THE BUDGET BILL AND BRING AMENDMENT/SUPPLEMENTARY BUDGET BILL(S)

The trajectory of the presentation of the 2016 federal budget estimates by President Muhammadu Buhari to the National Assembly (NASS) on December 22 2015 and its subsequent withdrawal and substitution upon the resumption of the legislature in the New Year is a matter in the public domain. The fact that some ministers and heads of departments came to the floor of the National Assembly during budget defence sessions to disown the presentation made by the President is a matter upon which the courts can be called upon to take judicial notice. It is also known to all Nigerians that the executive budget was heavily padded and seemed to lack policy direction and coherence. The budget estimates are available on the website of the Budget Office of the Federation.

It is imperative to put the controversy about the Lagos Calabar Rail Line and similar issues in their proper legal and normal contexts. Under Nigerian law, the constitutional provision (vide section 81 of the Constitution of the Federal Republic of Nigeria 1999) makes it clear that it is only the President who shall cause to be prepared and laid before each chamber of NASS the estimates for the next financial year. The President having presented, withdrawn and substituted the estimates for 2016, no minister or head of any public agency has the right to bring a supplement during budget defence session. The proper thing should have been for the President to submit a further amendment to his estimates. Thus, to state that the Lagos Calabar Rail Line was in the estimates submitted to the NASS is an attempt to distort facts. Indeed, a supplement assumes an already passed budget.

It is incredible that the estimates posted on the website of the Budget Office of the Federation for the Ministry of Transport contain nothing on the said Rail Line. For the executive to put out estimates to the Nigerian public (who are the ultimate sovereigns and custodians of power and on whose behalf NASS exercises the power of appropriation) and go behind approaching NASS with another schedule of project estimates is not only condemnable but contrary to legality, constitutionalism and propriety. Section 48 (1) of the Fiscal Responsibility Act is clear on this when it states that:

The Federal Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly ensure full and timely disclosure and wide publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances.

The statement credited to the Minister of Budget and National Planning that the Rail Line was omitted in error in the estimates goes to show the quality of work that went into the preparation of the budget and the undergirding Medium Term Expenditure Framework 2016-2018. If the MTEF was grounded on proper sectoral strategies prepared by sectoral teams with all stakeholders on board, the probability of forgetting such an important project would be minimal.

The allegations of projects and activities which were either reprogrammed or their funds reduced or increased or even the allegation of new projects introduced into the budget shows the poor or limited consultation and collaboration between the executive and the legislature in budget preparation. These recurring decimals would have been reduced if the executive and legislature understand that they **must** work together to produce a budget that commits to national development. In as much as the legislature has no right to write a new budget, it would be incredible to imagine the legislature as a rubber stamp of executive proposals. If that was the intention of the Constitution, it would state so in very clear terms.

In the light of the foregoing, Centre for Social Justice believes that the most reasonable thing for the President to do is to assent to the budget bill as presented and thereafter send a supplementary budget for projects that have been left out and an amendment bill to re-programme funds in his areas of concern. This position is based inter alia on the following facts:

- That we are in the middle of the second quarter of 2016 and any further delay is like laying a granite foundation for the failure of the 2016 federal budget. Time is of the essence.
- Challenges to the implementation of outdoor capital projects due to weather conditions have already set in considering that the rains are here with us. Thus, anything that speeds up the budget implementation process makes eminent sense.
- This is the time that the Ministry of Budget and National Planning should be focused on preparing the 2017-2019 MTEF and the background to the 2017 federal budget estimates. Recall that the MTEF by law (section 14 (1) of the Fiscal Responsibility Act) should be considered and endorsed by the Executive Council of the Federation before the end of the second quarter in June.

Lessons need to be drawn from this budget fiasco and this challenge will now be converted into an opportunity. The lessons should include the need for effective executive legislative collaboration in the preparation and approval of the budget; timely preparation and submission of estimates which may necessitate the amendment of

section 81 and other relevant sections of the 1999 Constitution; enactment of a new Public Finance Management Act which sets the ground rules for budgeting including the conditions precedent and when a project or activity will be due for inclusion in the budget; engagement of stakeholders in the budget preparation and approval process, etc.

In the overall interest of Nigerians, who are going through untold hardship, pragmatism and actions that will lessen our yoke is required. Mr. President, please assent to the budget bill and bring amendment and or supplementary budget bill(s).



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