

Enugu South LGA

Budget Analysis and Monitoring Report



**Citizens Report on Budget and Selected Capital Projects
in Enugu-South Local Government Area of Enugu State**

Enugu-South Local Government Area Budget Analysis

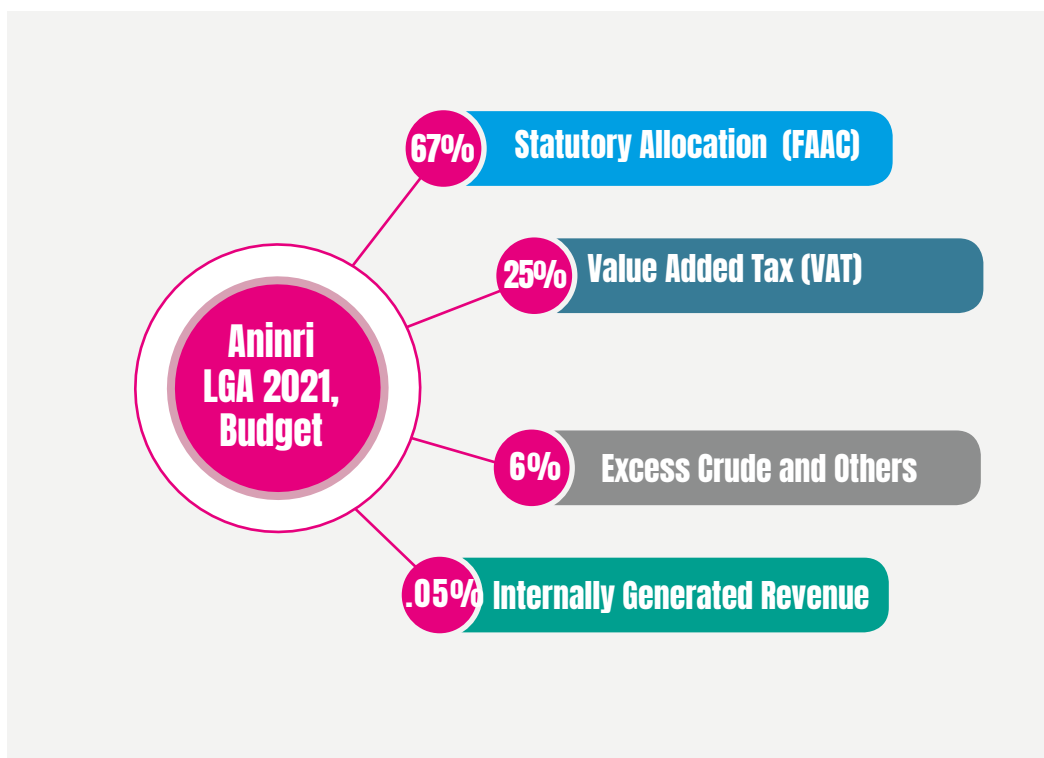
The Enugu South Local Government Council approved the sum of Two billion, three hundred and ninety million naira (N2,390,000,000.00) as its budget for the 2021 fiscal year. This budget is tagged “Budget of Consolidation”.

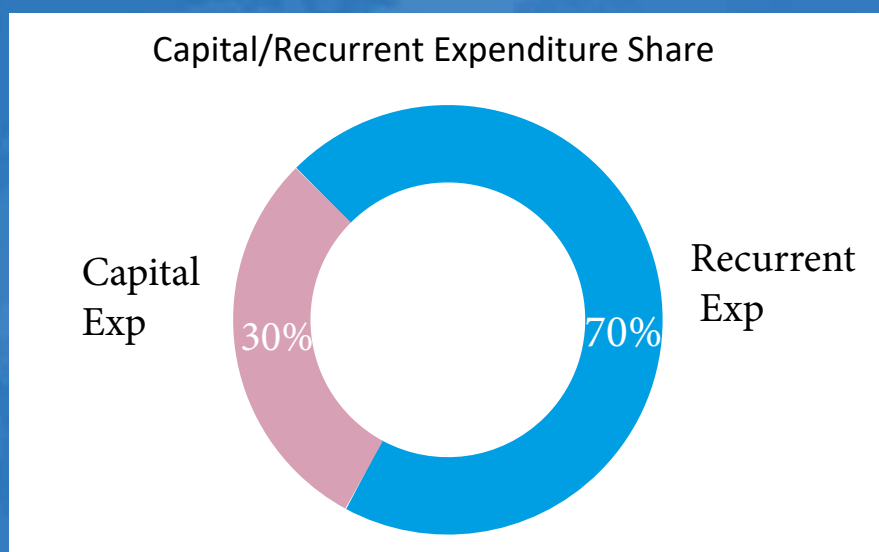
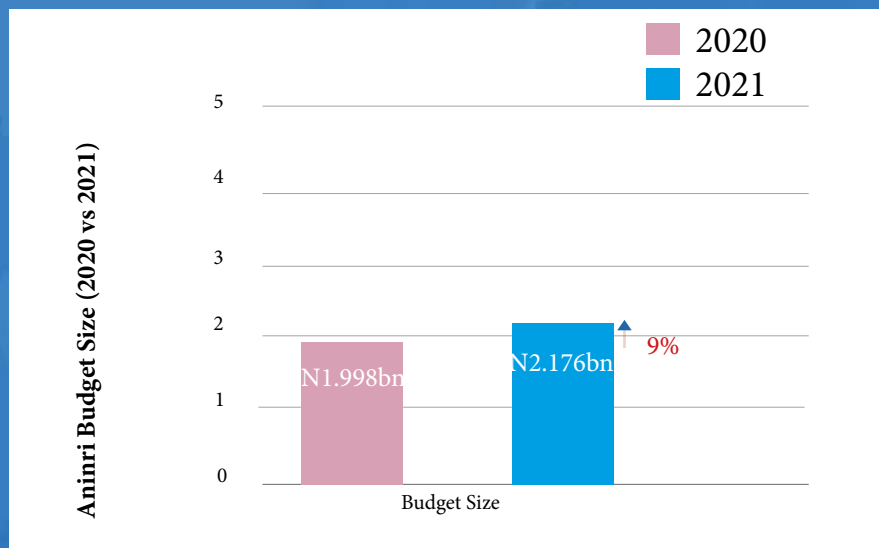
When compared with their budget for the 2020 fiscal year which was the sum of One Billion, nine hundred and forty-nine million. Seven hundred and fifty-four thousand six hundred and fifty-one naira, there is an increase to the tune of Four hundred and forty million, two hundred and forty-five thousand, three hundred and forty-nine naira (N440,245,349.00) this represents a 23% increase over the previous year’s budget,

A broad summary of the budget reveals that the total sum of One billion, eight hundred and fifty-one million, three hundred and seventy-three thousand, five hundred and forty-four naira (N1,851,373,544.00) or 77% is allocated to recurrent expenditure. In this regard there is an increase of One hundred and seventy-six million, six hundred and sixty-seven thousand, seven hundred and sixty-eight naira (N176,667,768.00) or 11% over the 2020 allocation to recurrent expenditure which stood at the sum of One billion, six hundred and seventy-four million, seven hundred and five thousand, seven hundred and seventy-six naira (N1,674,705,776.00) and accounted for 86% of the total budget. It is noteworthy that while there is an increase in the amount of money

Summary of the budget

Expenditure	2020 (N)	%	2021 (N)	%
Recurrent	1,674,705,776	86%	1,851,373,544	77%
Capital	275,048,875	14%	538,626,456	23%
Total	1,949,754,651	100%	2,390,000,000	100%





allocated for recurrent expenditure in the 2021 budget over that of 2020, the percentage share of the budget allocated to recurrent expenditure dropped from 86% in 2020 to 77% in 2021. Similarly, the sum of Five hundred and thirty-eight million, six hundred and twenty-six thousand, four hundred and fifty-six naira (N538,626,456.00) is allocated to capital expenditure. This represents 23% of the entire budget and is an increase of the sum of Two hundred and sixty-three million, five hundred and seventy-seven thousand, five hundred and eighty-one naira (N263,557,581.00) or 96% over the 2020 allocation of the sum of Two hundred and seventy-five million, forty-eight thousand, eight hundred and seventy-five naira (N275,048,875.00) and accounted for 14% of the budget. Here there is a substantial increase in both the amount of money allocated to capital expenditure and the percentage share of the budget allocated to capital expenditure in 2021 over the 2020 fiscal year.

Here is what a summary of the budget looks like.

On the revenue side of the budget, it is observed that the Enugu South Local Government Council intends to generate its revenue from the following sources, as depicted in *Table 2*

From the table, there is an indication that the Enugu South Local Government Council depends largely on statutory allocations from the Federation Account for the funding of its budget

A look at the details of revenue estimates from the Federation account reveals as shown in *Table 3*

A close look at the capital side of the budget showed that the administrative sector got a share of Ninety-nine million, five hundred and seventy-two thousand, four hundred and fifty-six naira (N99,572,456.00) or 18% of the total capital allocation. In the same vein, the Economic sector received a large share of the sum of Three hundred and five million, five hundred and fifty-four thousand naira (N305,554,000.00) representing 57% of the capital expenditure. The

Table 1**Sectoral Allocations**

SECTOR	BUDGET 2021 (N)	PERCENTAGE SHARE
Administrative sector	99,572,456.00	18%
Economic	305,554,000.00	57%
Total	538,626,456.00	100%

social sector received an allocation of the sum of One hundred and thirty-three million, five hundred thousand naira (N133,500.00) which is 25% of the capital expenditure (*Table 1*).

A further breakdown of the above sectoral allocation by function is given in *Table 4*

To understand the outlook of a budget that is expected to address the existential and developmental challenges of a post COVID-19 recovery year, it is pertinent to highlight some of the major projects proposed in the capital side of the budget.

Under the Economic sector where there is the largest share of allocation for capital expenditure, the Enugu South Local Government Council proposed to spend the sum of One hundred and fifty-seven million naira (N157,000,000.00) on a project with the title “Giving the Council Headquarters facelift”. This represents 51% of the total capital expenditure for the Economic sector.

In the Administrative sector, out of the total sum of Ninety-nine million, five hundred and seventy-two thousand, four hundred and fifty-six naira (N99,572,456.00) allocated for capital expenditure, the sum of Ninety-four million naira (N94,000,000.00) or 94% is provided for “Procurement of an official vehicle for the Chairman, and vehicles for key officers of the LGC as well as legislative vehicle.”

Similarly, in the social sector which received the total sum of One hundred and thirty-three million, five hundred thousand naira (N133,500,000.00) for capital expenditure, the health, and Education sub-sectors received an allocation of Sixty-three million naira (N63,000,000.00), and twenty-two million, five hundred thousand naira (N22,500,000.00) respectively.

The agriculture sub-sector received an allocation of the sum of thirty-eight million naira (N38,000,000.00) only for capital expenditure.

It is interesting to note that the combined allocations for the health, and Education sub-sectors is less than the allocation for the procurement of vehicles for the Chairman and other key Officers of the Local Government Council. In the same vein, the total allocation for capital expenditure in the social sector put at One hundred and thirty-three million, five hundred thousand naira (N133,500,000.00) is less than the One hundred and fifty-seven million naira (N157,000,000.00) allocated to the project titled “Giving the Council Headquarters facelift” alone.

Again, the Agriculture sub-sector budget allocation of Thirty-eight million naira (N38,000,000.00) for capital expenditure is conspicuously consumed by an allocation for “Purchase and distribution of palliatives to Enugu South indigenes” to the tune of Twenty-eight million naira (N28,000,000.00). The balance of Ten million naira (N10,000,000.00) is allocated to the “Purchase, supply, and distribution of two thousand (2000) bags of fertilizers/provision of farming equipment to farmers.

There is an allocation of Five million naira (N5,000,000.00) for the provision of “Micro Credit funds for unemployed/petty traders”, and also another allocation of the sum of Three million, five hundred and fifty-four thousand naira (N3,554,000.00) for the “Establishment of micro-credit facility and provision of soft loans to market women, and to support community farmers in their businesses”

However, there is no allocation for water which is a critical resource in development, even as one considers the importance of water supply to the inhabitants of Enugu South Local Government Area.

In conclusion, the 2021 budget of the Enugu South Local Government Council does not give to Education, Health, and Agriculture the priority attention they deserve in a post COVID-19 recovery year. This is following from the fact that governments are expected to put their money where their mouth is. The cumulative allocation to

Table 2**Revenue Profile**

Expected Revenue Sources	Amount in Naira	% of Total Revenue
Federation Account Allocation	2,350,000,000.00	98%
Internally Generated Revenue	40,000,000.00	2%
Others	Nil	0%
Total Estimated Revenue	2,390,000,000.00	100%

Table 3**Revenue Expected from the Federation Account**

Share of Federation Account Allocation	Amount in Naira	%
Statutory Allocation (FAAC)	1,600,000,000.00	68%
Value Added Tax (VAT)	600,000,000.00	26%
Excess Crude and Others	150,000,000.00	6%
Federation Account Allocation Subtotal	2,350,000,000.00	100%

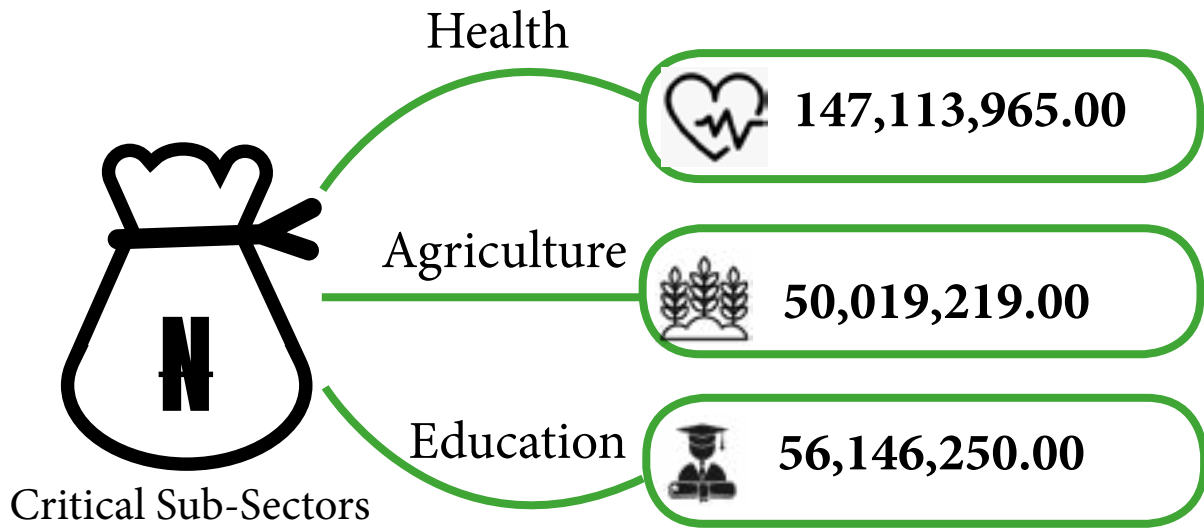
Table 4

Sector/Function	BUDGET 2021
General Administration	N99,572,456.00
Agriculture	N38,000,000.00
Water	Nil
Roads and Bridges	N253,000,000.00
Health	N63,000,000.00
Education	N22,500,000.00

Education, Health, and Agriculture which is Fifty-six million, one hundred and forty-six thousand, two hundred and fifty naira (N56,146,250.00), One hundred and forty-seven million, one hundred and thirteen thousand, nine hundred and sixty-five naira (N147,113,965.00), and Fifty million, nineteen thousand, two hundred and nineteen naira (N50,019,219.00) respectively, and making a total of Two hundred and fifty-three million, two hundred and seventy-nine thousand, four hundred and thirty-four naira (N253,279,434.00) is less when compared to the recurrent expenditure for the office of the Chairman alone which comes to the sum of Three hundred and fifty-seven million,

three hundred and eight thousand, five hundred and forty-four naira (N357,308,544.00).

The budget places a premium on allocating resources to the office of the Chairman of Council, and other recurrent personnel expenses than investments in critical sectors of the economy that are required to drive productivity and engender recovery and prosperity. One therefore wonders what the budget seeks to consolidate other than the financial and material wellbeing of the Council Chairman and its key Officers.



Project Monitoring Report

BRIEF ON ENUGU-SOUTH LGA.

Enugu South is a Local Government Area of Enugu State, Nigeria. Its headquarters are in the town of Uwani, Nnobi Street Enugu, and covers the communities of Akwuke, Amechi, Ugwuaji, Obeagu, Awkunanaw and Amechi-Uwani. Enugu South is bounded to the north by Enugu North and to the east by Nkanu East local government areas. It falls within the Eastern senatorial districts of Enugu.

It has an area of 67 km² and a population of 198,723 at the 2006 census, and is put to be 267,300 according to 2016 population projection. Majority of the population are from Igbo ethnic group, thus Igbo and English are the major languages in Enugu South. Enugu South covers a land area of 67 square kilometers and has an average yearly temperature of 27 °C. The area experience average humidity of 69%, while the LGA has two major seasons which are the

dry and the rainy seasons with a brief harmattan period during the dry season.

Enugu South local government (just like Enugu City) has vast deposits of coal and thus is part of the area being referred to as the "Coal City". The area is also famous in the cultivation of food and cash crops such as maize, yam and cassava. The local government is also a home to many open markets such as the Kenyatta market and the Mayor market. The postal code of the area is 400.

Enugu South LGA is one of the Pilot LGAs for the Social Action Campaign on Local Government Autonomy and Accountability for Effective Service Delivery.

Below are our findings on the projects monitored across the LGA as captured on the 2021 Local Government Budget.

GIVING THE COUNCIL HEADQUARTER FACELIFT

Sector	Economic (Roads and Bridges)
Beneficiary	Enugu South Local Government Council
Approved Estimate	N157,000,000 (Although on the draft budget document it was captured as N82,000,000).
Monitoring Report	The Budget Monitoring Team was at the Council Secretariat of Enugu South Local Government Area to verify the implementation of some items in the 2021 Budget which an overhaul of the outlook of the Secretariat was among those to be carried out. It was reliably gathered that since the commissioning of the new Administrative Building dubbed THE ARK OF GOD, many years ago, neither further external works nor maintenance has been carried out. However, it was reported that the floor of a multi-purpose hall within the building was tiled, though this intervention has no connection to the stated facelift of the Council Secretariat, the team observed.

Figure 1 Uhuogiri Culvert Visuals



Views of Enugu South Local Government Council Secretariat from all angles.



ENUGU SOUTH LGA (TRACED)			
S/No	Project Description	Amount	Sector
1	Giving the council headquarter facelift	157,000,000	Economic (Roads and Bridges)
ENUGU SOUTH LGA (NOT TRACED)			
S/No	Project Description	Amount	Sector
1	Purchase, supply and Distribution of fertilizer	10,000,000	Economic Sector (Agriculture)
2	Purchase and Installation of palliatives	20,000,000	
3	Partnership with Federal Govt in reformation of Police	1,466,700	Social Re-Orientation (Law and Justice)
4	Upgrading of Health Facilities and support for HIV/ Malarial Control	19,000,000	Health
5	Fumigation of LG health Centres	11,000,000	
6	Repairing of Health Facilities	8,000,000	
7	Purchase of Drugs	12,000,000	
8	Walling , Renovation and Provision of Security	13,000,000	
9	Renovation and Fencing of Primary schools	16,000,000	Education
10	Provision of Educational Materials	3,000,000	
11	Gender Equality, making sure that Dividend of Democracy reaches all.	8,000,000	Gender
12	Local Government for sport/ Youth Empowerment	16,000,000	Youth And Sport
13	Workshops	4,000,000	
14	Control of Erosions	20,000,000	Environment Improvement
15	(ICT)	2,000,000	
16	Growing the Private Sector/Market Development	5,554,000	Reforms of Government and Govern (General Admin)
17	Procurement of official vehicle for chairman	94,000,000	
18	Equipping all offices of ESLGC with stationery and material	2,718,201	
19	General Maintenace and Repairs	2,854,255	
20	Provision of and extension of electrical insulation Equipment	4,000,000	Power/Electrification
21	Opening up/grading and Construction of Drainage, Culverts and Asphating of roads	74,000,000	Economic (Roads and Bridges)
22	Disposal/ Clearing of Refuse	22,000,000	

CHALLENGES ENCOUNTERED.

Traceability:

Due to the multiplicity of the locations of the projects and most of them in hard to reach places and even unknown to locals, the project monitoring team at intervals got stranded and spent more time trying to locate a particular project site.

This alone saw to the low count in the number of projects successfully monitored by the team. To address this challenge in future activity, a recommendation (number 1) has been made to that effect.

On the other hand, it is safe to say that, Enugu South LGA intentionally omitted the actual locations of the project sites perhaps to avert them being tracked and monitored by interest groups. There were also cases where the projects outlined in the budget document had no specific category of beneficiaries thereby making it difficult to ascertain the point of call and verification. This discouraged the team greatly and it ruined the enthusiasm of the ever vibrant young persons of the Budget Advocacy Cluster of Enugu South LGA. This resulted to the monitoring of the Local Government Council Secretariat only among the 23 items assigned to us for Enugu South LGA.

Access Roads:

The Project Monitoring Team at some points had challenges with scaling some locations due to mud, or absence of access roads to such project

site.

Distance and Time Factor:

The distance from one project site to another is in no way of close proximity, especially those sited at the 'end of the world' axis of the hinterlands. This also contributed to the low counts in the number of projects monitored. For instance, before our arrival at Nenwe Community in Aninri LGA, it was already getting dark that we may barely take clear photos should we proceed with the site visit yet the transit time back to the base of the members of the Budget Advocacy Cluster is still much.

Insecurity:

The rising cases of insecurity within and around the hinterland of Enugu state continues to raise concerns thereby making certain enclaves a no go area. Since we were going in our numbers, we took precautions but the scare affected our productivity.

RECOMMENDATIONS:

1. In the interest of achieving optimum success in future project monitoring activities, there is need to organize a town hall meetings for citizens whose communities are beneficiaries of the projects captured in the budget. This meeting will serve two or more purposes: At the first instance, it will keep citizens abreast on the direction of government spending in their locality in the year in view. Secondly, these participants/citizens will further serve as contact persons in the community for the project monitoring team when they will eventually show up at their respective communities for an on the spot assessment and verification of government spending in those communities side by side the budget lines and approvals made. This assistance would greatly reduce the number of untraceable project sites as well as make move-

ment a lot easier and swift for the project monitoring team.

2. Government should be called upon to prioritize WASH facilities while renovating public facilities especially schools and health centres.

3. In order to avoid being harassed by locals or security agents, a branded T-Shirt or reflective jacket would serve for the onsite project monitoring activity.

4. In a bid to get facts right, there is need to organize a follow-up advocacy visit to the Chairpersons of the respective Local Government Councils where the findings from the field would be further interrogated and clarity gained for future references. This may alternate the invocation of the Freedom of Information (FOI) Act and remedy the possibility of a one sided reporting.

5. The production of periodicals like newsletters or factsheets on the budget progress report is advised. This is expected to put the leadership of the local government councils on their toes as the publications would be serving as an on-the-go score-card.

6. There is need to continue to emphasize the

importance of explicitly stating the locations of projects on the budget documents as it would also increase citizen's sense of belonging in the governance system. This would also present a seamless reference for researches and development partners alike.

CONCLUSION:

Budget implementation at the Local Government level reveals the extent of political willingness towards community development in accordance to the actual yearnings of the people. Whatever gaps are therefore observed, explains the quality of governance and leadership citizens are disposed to at a time. The evidences across board continues to form basis for the motivations of development partners towards finding sustainable ways to engage government and other non state actors in ensuring that budget development and implementation processes are in sync with the prevailing needs of the people as well as the resources mobilized for project execution.

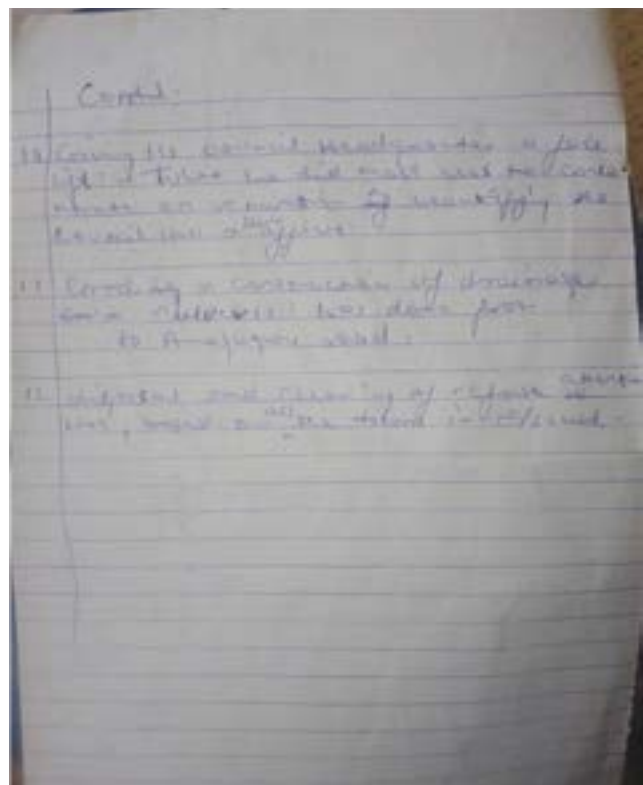
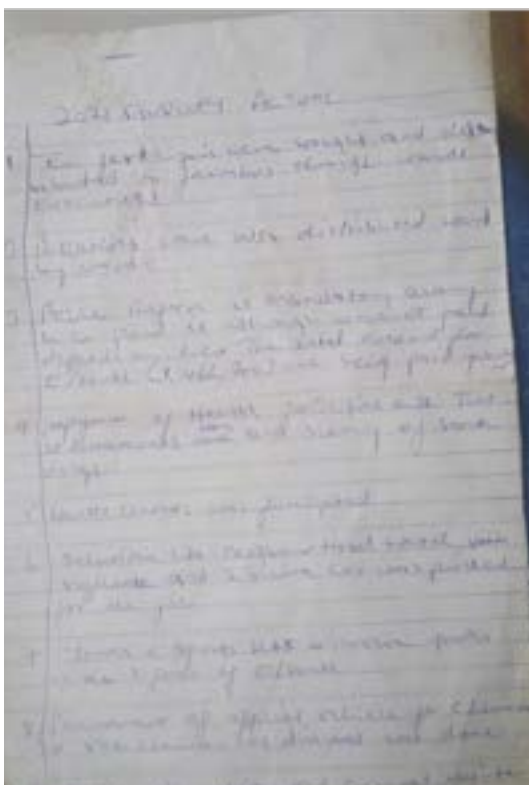
Findings from the field revealed that there is a similarity in the pattern of service delivery to the people by both local government areas under study and that governance performance is at very low ebb. It is on one hand lacking inclusivity and on the other hand lacking transparency and accountability. The Budget Monitoring Team closely

observed that the budget implementation processes are greatly shrouded in secrecy and citizens are barely aware of the on goings in their communities.

The remedy to the imbalance and the absence of effective service delivery would be best proffered when citizens begin to engage systems of government and holding elected representatives and other public office holders accountable to their stewardship and resource management.

APPENDIX

The images below shows excerpts of budget items from the 2021 Enugu South LGA Budget said to be executed. The narration was written by the Head of Department (HOD), Planning, Research and Statistics (PRS). However, the Budget Monitoring Team could not verify these claims as we could not be pointed to the locations and how some of those items were implemented.



Head Office

33, Oromineke Layout,
Off Emekuku Street, D-Line,
Port Harcourt, Nigeria.
Tel:+234 (0)84 360903

National Advocacy Centre
20 Yalinga Street (House1)
Wuse2, Abuja, FCT

Paralegal/Community Resource Centre

Warri

No 10, Major Dan Azubuike Road,
Off Niger Cat, by Refinery Road.
Ekpan, Effurun, Warri, Delta State

Bori(Ogoniland)

6 Kaani Road (Top Flour)
Bori, Rivers State

Diobu

No 77 Urualla Street,
Mile 1 Diobu, Port Harcourt, Rivers State

Brass

JBA Villa, Twon Brass,
Bayelsa

Social Action International

310 Dupont St. Suite 200,
Toronto, ON, Canada M5R 1V9



SocialActionNigeria



SocialActionNg



Social.Action.Sdic

www.saction.org