



**BUDGET OFFICE OF THE FEDERATION,
FEDERAL MINISTRY OF FINANCE
2011-2013 MEDIUM-TERM SECTOR STRATEGIES**

*Keynote Address by Olusegun Olutoyin Aganga
Honourable Minister of Finance*

Distinguished Senators...
Honourable Representatives...
Honourable Ministers...
Director-General, Budget Office...
Permanent Secretaries...
Distinguished Ladies and Gentlemen...

Protocol

I warmly welcome you to the 2011-2013 Medium Term Sector Strategy sessions.

The 2011-2013 MTSS: Purpose

The purpose of the MTSS is to discuss, decide on and prioritise the planned projects and programmes of key, large spending MDAs, over the medium-term horizon on a 3-year rolling basis. A broad spectrum of activities will be undertaken, over the next few days and weeks, to achieve these ends. These activities range from distilling from high level policy documents the optimal sectoral strategies needed to achieve the goals we have set for ourselves, and prioritising among competing projects and programmes to determine the optimal mix of initiatives that may be accommodated within the constraints of our expenditure ceilings and revenue realities. We will also document the

specifics of these projects and programmes using the MTSS Guidelines and Logframes. Ultimately, in line with our public financial management reforms, the first year of the 2011-2012 MTSS will form the basis for the 2011 Budget.

Form & Structure of the MTSS

As part of our commitment, at the Ministry of Finance, to fostering a more open, participative and transparent budget preparation and implementation process, we have included participants from the Legislature, as well as the organised private sector and civil society on our Sector Planning Teams to provide a broad-based perspective on issues.

We expect the Sector Planning Teams to build on the recent work undertaken by the MDAs to review and update their previous MTSS Reports. During the MTSS Sessions, we will derive and prioritise projects and programmes to ensure that only the best initiatives are admitted into the Federal Budget. These preferred initiatives would be duly costed and sequenced within the available resources of the expenditure ceilings, and documented in the final MTSS Reports.

The MTSS process is designed for and belongs to our MDAs. However, our MDAs will be supported throughout this process by committed officers from the National Planning Commission, the Office of the Senior Special Assistant to the President on the MDGs, the Bureau of Public Procurement and, of course, the Budget Office, which anchors this process. As in previous years, we continue to draw upon the technical input and unique perspectives of our experienced Sector Experts who will help facilitate the discussions and document the outcomes.

We are grateful for the efforts of our partners within the Federal Government, as well as the World Bank, and the UK's Department for

International Development, for their support and cooperation as we continue to advance our public financial management reforms.

The Role of the MTSS in Advancing Fiscal & Budgetary Reforms

Our current approach to advancing our public financial management reforms is based on the three pillars of delivering **Enhanced Economic Growth**, accelerating **Institutional Reforms** and implementing **Fiscal/Budget Reforms**. In this regard, one of the key Fiscal/Budget Reforms I intend to drive, as Minister of Finance, is **enhancing the quality and efficiency of our spending on capital and recurrent outlays**.

To achieve this, we intend to focus on reviewing the amount of our budgetary resources committed to recurrent expenditure, with a view to increasing efficiency and value for money. We will undertake certain initiatives to enhance the impact of the capital vote by: improving the allocation of capital resources to critical projects; ensuring that key initiatives are well funded throughout their project lifecycles; and maintaining better control over project costs, scope, schedules and quality. We will also continue to build the project management and service delivery capacities of our MDAs, as well as improve on existing monitoring and evaluation systems that promote transparency and accountability in public spending. We need to put the country on a structurally sounder basis for renewed economic growth. We invite you all to help lead our efficiency drive and ensure that we get real value for every Naira spent.

Finally, as we move to complete the audits of internally generated revenue and other inflows, we expect to identify and close leakages in our revenue collection systems. The enhanced revenue these measures yield shall enable us to provide more resources for deserving projects and programmes, and to reduce our fiscal deficit. As it has been said, good company and good discourse are the very sinews of virtue. Accordingly, we will continue to rely on the

cooperation and support of all our partners and stakeholders, within and outside Government, to ensure the success of these initiatives.

Conclusion

The ultimate outcome of the MTSS process will be the 2011 Executive Budget Proposal, which we hope to conclude by September in order to provide the National Assembly sufficient time to complete their appropriation work. We are committed to cooperating fully with the Legislature during their debates and deliberations, and to facilitate the expeditious passage of, and assent to, the 2011 Budget by the end of the fiscal year.

The Budget, however, is not an end in itself, but a veritable vehicle by which we can attain our fundamental goals of achieving economic growth and development, while maintaining macroeconomic stability. In the months to come, our public investment through the budget will be complemented by public private partnership and other private finance initiatives to help us bridge the infrastructure gap. This gap must be bridged in order to create the right investment environment to release our latent potentials to achieve the exceptional growth and development we aspire to realise our potential as a great nation. The MTSS is a single, but important, link in this bridging process and I urge you all to actively engage in achieving its outcomes.

In closing, I wish to thank the management and staff of the Budget Office of the Federation, who have worked tirelessly over the last few months to prepare for these MTSS sessions, and who will continue to engage with the MDAs in the weeks and months ahead to produce the 2011 Budget Proposal.

Once again, I welcome you to these MTSS sessions and thank you for your attention.