

DOB/BGT/S/251/1/5

3rd August, 2020
15th Muharram, 1442AH,

The Honorable Commissioner,
Ministry of Agriculture & Natural Resources,
Jigawa State, Dutse.

2021 – 2023 MEDIUM-TERM SECTOR STRATEGY(MTSS / MTSP)
[Guidelines and Sector Envelopes]

A - Introduction

As you might be aware, one of the key provisions of the *Jigawa State Fiscal Responsibility Law (FRL)*, 2009 is the preparation of Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) - on a three year rolling basis - to inform the development of Medium Term Sector Strategy and the annual budget. These serve as critical planning tools that help ensure that the planning and budget processes are pursued within a realistic and sustainable fiscal framework that would facilitate the attainment of government's economic, social and development objectives in a strategic manner.

2. The preparation of the 2021 – 2023 MTEF and MTSS is coming at a critical times during which public expenditure and financial management has to contend with devastating social and economic impacts of COVID-19 Pandemic. In particular, fiscal uncertainties occasioned by falling revenues due to declining oil prices and production levels are key challenges that would affect the process. Indeed, this was what necessitated a review of the 2020 Approved Budget which was reduced by almost one-fifth of the original estimate. Therefore, more than ever before, the need to be more strategic in annual budget and planning process could not be overemphasized. While the Directorate intends to fast-track the 2021-2023 MTEF/MTSS and 2021 Budget Process, this would be done without compromising the good practices of consultative and collaborative initiatives involving all Government MDAs and other stakeholders as provided for in the state budget calendar. Accordingly, the Directorate has targeted to submit the 2021 Appropriation Bill to the State Legislature during the second week of November 2020 to allow for reasonable time for budget scrutiny and timely passage of the 2021 Appropriation Law. Prior to this, both the MTEF and MTSS also have to be submitted in line with the requirements of the FRL. This would also enable the State meet the milestones set under the States Fiscal Transparency, Accountability and Sustainability (SFTAS) Program which the State Government has signed onto.

3. The main purpose of this circular therefore, is to guide and support the Sector Planning Teams (SPTs) in the 2021 – 2023 MTSS Roll-over process. Essentially, it would provide sectors with necessary guidelines and the indicative resource envelopes that set the upper limit of all the expenditure components of the plan including projects and programmes that are ongoing and / or committed by the Government, and new ones where necessary. The key objective is to achieve fiscal realism and sustainability for both the Medium and Long-Term development of the State. As the main link between the State Development Plan (the CDF) and the budget, the importance of Medium Terms Sector Plans as key planning documents could not therefore be over-emphasised.

4. In the light of the foregoing therefore, as *Chairperson of your sector*, you are please kindly expected to provide the necessary leadership and guidance required to ensure timely completion of the 2021 – 2023 MTSS roll-over process as well as ensure that the documents that will be produced meet the above stated objectives.

The 2021 – 2023 MTEF and Medium Term Sector Plans

5. As usual, the main purpose of preparing the MTEF is to have a medium-term outlook in preparing the annual budget as well as ensure that there is fiscal realism and strategic resource allocation in the process.

The main aim is to deliver the medium and long-term development objectives of the State in a sustainable manner. Essentially, the MTEF provides the link between the expenditure allocations in the budget in accordance with policy priorities and the fiscal projections which are the basic requirement in achieving budget realism and fiscal discipline. It also goes to ensure that the planning and budgeting process in the state focuses on comprehensiveness, realism, policy-based and outcome-oriented which is consistent with primary objective of public expenditure and financial management.

6. Based on the macroeconomic parameters used in the MTEF Projections, it is envisaged that non-discretionary revenues that would accrues in to the consolidated revenue funds of the state for the period 2021 – 2023 is about ₦269.342 billion. This is spread over the three year period as ₦85.694 billion, ₦89.536 billion and ₦94.112 billion respectively. These projections formed the basis for Indicative Sector envelopes to be issued to all sectors to guide the development of their respective Sector Plans.

Indicative Resource Envelopes

5. The indicative Sectoral Resource Envelop for the Sector is provided hereunder. As usual, the envelop is based on the overall resource constraints for non-discretionary funds. The sector envelop takes full cognisance of the priority accorded to the sector, current scope of project/programme portfolio, existing financial commitments, and the intensity of capital requirements of sector projects. The sectoral resources envelope includes counterpart funding obligations for loans and grants (where applicable) but excludes the associated expected draw-downs which were treated as contra-entries in the MTEF projections. Even though resource envelops belongs to the entire sector MDAs, effort was made to provide further guidance as regards to the distributions within key expenditure components (personnel, overhead cost and capital expenditure). The SPT, under the guidance of the Chairperson, is free to make internal adjustments and re-allocations in line with mandates and scope of initiatives of the sector MDAs.

Org. Codes	Organizations	Sector	2021 Recurrent Projections		Capital	Total 2021	Whole Sector / Whole Components , 2022	Whole Sector / Whole Components , 2023
			Personnel	Overhead				
Agriculture			878,000,000	39,800,000	3,314,200,000	4,232,000,000	4,443,000,000	4,695,000,000
021502102100	Ministry of Agriculture & Natural Resources	Agric	356,000,000	19,200,000				
021502102100	Jigawa State Agricultural Research Institute	Agric	110,000,000	4,200,000				
021510200100	Jigawa State Agricultural & Rural Developme	Agric	412,000,000	12,800,000				
021510200100	Herdsmen Board	Agric	-	3,600,000				

Other key guiding principles that SPTs may need to take into consideration in the process of developing their Sector Plans include:

- As an all-inclusive process, the composition of the SPT should include all key stakeholders in the sector. Essentially, this should include all the Head of Agencies and Accounting Officers of the respective Agencies in the Sector (including other MDAs with cross-cutting issues), Directors of Planning, Research & Statistics in the Sector MDAs, Sector Desk Officers representing the Directorate of Budget and Economic Planning and representatives of active Civil Society Organizations in the Sector. The Honorable Commissioner/Permanent Secretary as Chairperson of the SPT is also enjoined to consider inviting the House Committee Chairman on Agric Sector to participate in some of the sector strategy sessions;
- Ensuring active collaboration and consultations among all the identified stakeholders particularly between implementing MDAs to ensure synergy between the various projects and programmes being implemented in the sector so as to optimised outcomes and performance. Most important in this regards is ensuring involvement and active participation of implementing MDAs during the Strategy Sessions where crucial decisions are made pertaining to internal re-allocation of sector envelops and prioritization of projects and programmes in the sector. Decisions on this should be candidly objective

and take into consideration such factors as overall sector policy objectives and the role of MDAs in delivering that, mandates of each agency, existing commitments and emerging policy priorities;

- For Sectors that have some of their projects and programs being funded from loans and grants, there should be active engagement with the respective Financing Partners and or Heads of the Project Implementation Units (PIUs) of such loans/grants funded projects. This is to be done with a view to forge synergy, avoid duplications and ensure that the outputs and outcomes of such projects and programs are geared towards achieving the overall sectoral policy objectives;
- Ensuring that resources are allocated in such a way that promote prudence and efficiency in resources management, financial or otherwise as to guarantees economy, efficiency and effectiveness in both service and project delivery;
- The Sector Desk Officers from the Directorate of Budget and Economic Planning should be carried along throughout the Strategy session of the sector in all the SPT meetings for feedback to the Directorate so as to minimize time during the Budget Bilateral Discussions. Also the key contact person for the Directorate of your Sector remains the Permanent Secretary and Director of Planning, Research and Statistics. The two should be given the leverage to effectively coordinate and monitor progress in the process as to ensure timely completion of the exercise;

6. Finally, please be informed that Budget Bilateral Discussions on the 2021 Budget are scheduled to commence on **Monday, 21st September, 2020**. Accordingly, all documentations on your Sector Plans should be significantly accomplished by this time to ensure that the annual budget is properly informed by the medium term sector plans (the MTSSs). As earlier mentioned, the MTEF and MTSS Documents would need to be forwarded to the State House of Assembly prior to the presentation of the 2021 Appropriation Bill. Your utmost diligence and cooperation is therefore required to achieve the set timelines please.

7. Please accept my sincere regards.

Alhassan Ibrahim Marke
(Permanent Secretary)
Budget and Economic Planning Directorate