



BUDGET AND ECONOMIC PLANNING DIRECTORATE

PMB 7008, Block A, New State Secretariat Complex, Dutse, Jigawa State

Tel: 08037864623, 08065282818; website: www.jsbepd.org

DOB/BGT/S/256/V. I/3

Date: 30th August, 2022

2nd Safar, 1444AH

«Addressee»

«MDAs»

«Location»

RE: 2023 BUDGET CALL CIRCULAR (BCC) FOR THE SUBMISSION OF REVENUE & EXPENDITURE PROPOSALS

Introduction

1. The purpose of this circular is to:

- (i) Request all Ministries, Departments and Agencies (MDAs) to prepare and submit proposals for revenue and expenditure estimates in respect of 2023 Fiscal Year (FY) based on the requirements and guidelines to be provided in the circular;
- (ii) Provide some of the major Government priorities in the ensuing year as well as the key administrative guidelines for the preparation of your proposals;
- (iii) Provide you with preliminary Sector Envelops and Budget ceilings that set the upper limit of expenditure proposals; and
- (iv) Provide the appropriate templates that would assist MDAs in the preparation and submission of the proposals.

2. The preparation of 2023 – 2025 Medium Term Expenditure Framework (MTEF) being coordinated by this Directorate with participation of relevant stakeholders has been successfully concluded. Essentially this formed the basis for the initial revenue and expenditure projections based on which indicative sector envelopes and budget ceilings would be provided. While it is expected that Sector Planning Teams (SPTs) in the concerned sectors have commenced some activities on the annual roll-over of the Medium-term Sector Strategies (MTSS) of their respective Sectors sequel to the completion of the Annual Sector Performance Evaluation exercise, it is expected that the annual budget process would now be fast-tracked using the sector resources envelopes and other guidelines to be provided. This is to ensure that the MTSS and medium-term resource allocation (for non-MTSS Sectors) are completed ahead of the 2023 bilateral budget discussions.

Policy Thrust, Priorities and Guidelines for Revenue & Expenditure Proposals

3. Even as the State Comprehensive Development Framework is presently being reviewed, the overarching policy objectives and priorities it provides remains the reference point for the current planning and budget circle. In this regard, the overall State policy objective remained to be the pursuit of sustainable improvements in the social and economic wellbeing of the people of the State. Largely therefore, resources allocations will strategically be guided by:

- i. The contributions of specific initiatives to the sustained growth and diversification of the State's economy. To a large extent this would requires focus on agriculture, critical infrastructure and development of small and medium scale enterprises;

- ii. The extent to which initiative contributes to sustainable improvements in the State's human capital in terms of education, health and skills development. This requires focus of projects and programmes that could potentially expand access to quality of human development services (education, health, economic empowerment and social protection);
4. In addition to the foregoing, in preparing both the 2023 – 2025 MTSS and the 2023 Budget, MDAs should also be guided by their sector level policy objectives and priorities including those contained in sector-level policy documents. Accordingly, within the limit of sector envelopes and budget ceilings, submissions by Sectors / MDAs should be in such a way resources are strategically allocated to fund budget initiatives that significantly contributes to the attainment of their sectoral policies. Very importantly, as the current administration intends to complete all major ongoing projects and programmes between now and next year, such projects should also be prioritised when it comes to resource allocation.
5. In addition to the foregoing, the following considerations, should as much as possible also guide the submissions by Sectors and MDAs for both the medium-term sectoral plans and 2023 Budget Proposals.
- i. **Internally Generated Revenue (IGR) and Capital Receipts** – Even though both the domestic and global outlook suggests improved economic prospects over the medium-term economic, Internal Revenue proposals should, nonetheless, be cautiously optimistic. While it is believed that a vibrant economic environment is necessary for improved performance, the internal efficiency of revenue collecting MDAs, the existing revenue policies, proactiveness of the agencies and effective monitoring of revenue collection & remittance are also very critical. Taking these into account, all Revenue collecting MDAs should update Medium Term Revenue Strategy developed last year and be guided by it in making proposals for the 2023 FY. Accounting officers are advised to fully exploit all existing and potential revenue sources within the mandate of their respective agencies. As regards Capital Receipts – that is revenues tied to the implementation of specific capital projects such internal and external development grants and loans - the proposals be supported by strong evidence that draw-downs are assured in the 2023 FY. These may be in terms signed MoUs or Agreements.
 - ii. **Personnel Cost** – The Civil Service as the institution that implements government policies, needs to be manned by vibrant, trained, skilled and experienced manpower. While a number of MDAs have been affected by staff attrition in various forms, effort should be made to ensure that the MDAs are manned by the right mix of personnel in terms of filled establishment positions and quality. While MDAs may be much concerned with filling the gaps created through staff attrition, this has to be carefully matched with resource constraint. We are aware that Office of the Head of the State Civil Service has requested all to MDAs to produce a skill-gap analysis for their respective Agencies identifying critical areas of staff shortages. While Personnel Cost Proposals for 2023 should be strictly based on post-filled - actual staff position of the August 2023 Payroll Position, a separate template as provided for proposed New Recruitments in 2023 which should be in line with already identified areas of critical manpower shortages. While basing proposals on actual staff positions, these should take into consideration staff promotions in 2023 and envisaged staff retirements.
 - iii. **Overheads and Other Recurrent Expenditure** – As usual Proposal for Overheads and Other Recurrent Expenditure should thus be very realistic and reflect the principles of efficiency, effectiveness and economy. While noting the impact of inflation resource constrains will however, prevents significant expansion of recurrent spendings. This underscores the need for improved spending efficiency as to achieve more budgetary outputs with less resources which is what financial prudence and economy are all about. While this applies to all components of the budget, this is required to more visible in non-personnel recurrent expenditure – which is essentially a consumption expenditure. All MDAs are required to work within their 2023 Budget Ceilings as provided in this Circular. They should also target areas that ensure more effective service delivery and the functionality of capital investments nomenclature.

- iv. **Capital Development Expenditure** – The policy-plan-budget linkages should be maintained through the Medium-term Sector Strategies and Sector Plans development by MDAs’ involved in the MTSS Process which constitutes about 80% of the total budget expenditure. This is achieved by ensuring that 2023 Capital Expenditure Proposals are largely drawn from the first-year phasing of MTSS and MTEP as the case may be. The most important considerations for capital expenditure proposals include:
- a) Limiting proposals within provided sector envelopes (for MDAs doing MTSS) and budget ceilings. This also requires consistency between projects allocation in 2023 – 2025 MTSS and 2023 Capital Expenditure Proposals;
 - b) Ongoing Projects and Programs at advanced stage of completion should be prioritised for completion and commissioning in 2023;
 - c) Strategically allocating resources to projects and programmes that maximally contributes to the attainment of sectoral policy objectives and meeting key milestones as defined by prior set key performance indicators;
 - d) MDAs that have loans and / or grants funded projects should note that the capital expenditure ceilings include counterpart-funding (where applicable) while the expected drawdown should be treated as contra-entry. Proposals for such projects must be limited to the amount already guaranteed for draw-down during the 2023 FY.

Resources Expectations and Budget Ceilings.

As earlier indicated, the 2023 – 2025 Medium Term Expenditure Framework as informed by the MTEF Policy Brief has made it possible to derive the corresponding medium-term Fiscal Budget Framework and subsequent indicative Sectoral Resources Envelops. This was strategically done in accordance with extant government policy priorities as reflected in the Budget Policy Statements. To complete the top-down – bottom-up principles, Sectors involved in the MTSS Process have already been issued with their respective sector envelopes which covered all the expenditure components of the budget. Based on this, further guidelines are issued below including budget ceilings, sector envelopes for Sector MDAs involved in the MTSS Process, Capital Expenditure Ceilings on Non-MTSS MDAs and other useful information. It should be noted that even though Personnel Cost Ceilings are provided based on the MTEF Projections, the main consideration is to submit personnel cost proposal based on existing staff as per August 2022 Payroll.

Name of MDA	«Org_Codes» «MDAs»
Sector	«Sector»
Sector Envelop for MTSS MDAs	«Sector_2023_CapExp_Envelop»«Sector_2023_CapExp_Envelop»
Projected Personnel Cost	«Personnel_»
Overhead Cost Ceiling	650,000,000
Cap. Exp. Ceiling for Non-MTSS MDAs	«Cap_Exp_Ceiling_NonMTSS_Sector_MDAs»
Proposed Establishments	«Personnel_Establishments».
Remarks	«Remarks»

7. As usual, MDAs are enjoined to ensure that the planning and budget process is all inclusive and participatory carrying along all stakeholders. This include liaising with relevant Civil Society Organizations and Development Partners to harness inputs for consideration as the 2023 – 2025 MTSS and 2023 Budget are being developed. It is believed that effective stakeholder engagement and sector-wide consultations would further engender responsiveness and increased openness in the process.

Submission Templates

8. The full adoption of the New National Chart of Accounts by the State requires publication of the Approved Estimates based on all various Budget Classification System associated with the Chart of Accounts including Administrative, Economic and Functional Classifications. This requires the introduction of new reporting templates on which some of the MDAs have already been trained. This is in addition to the normal templates. The new templates request the presentation of proposed estimates for both revenue and expenditure using the “economic codes”. All MDAs are enjoined to contact the Directorate of Budget and Economic Planning to obtain the soft (electronic) copy of the 2023 Budget MDA Budget Proposal Template which will ensure accuracy and easiness in the compilation of all components of the budget proposals. Officers from the Directorate will also be assigned to support the MDAs and to ensure timely submission of the proposals in both hard and soft copies.

9. The normal templates were simplified by populating 2022 Approved budgetary provision against the active budget lines (economic codes and project codes) of the agencies. MDAs therefore need only to complete the proposal columns for 2023 FY and the actual expenditure columns (as at August 2022). Accordingly, all MDAs are hereby requested to prepare and submit their 2023 Budget Proposals in accordance with the attached templates as listed below.

- Form 1 Recurrent Revenue Proposals
- Form 2 Details of Personnel Cost by Grade Levels and title of Posts which should be consistent
- Form 3 Summary of Proposed Establishments by Posts and Grade Levels (as per August 2022 Payroll)
- Form 4 Recurrent Expenditure Personnel Costs Summary (Basic Salary, Regular and Non-regular Allowances) and Other Recurrent Expenditure (Overheads)
- Form 5 Capital Receipts including Loans and Grants;
- Form 6 Capital Expenditure Projects and Programmes as contained in the MTSS (for MTSS Sectors) and for all ongoing projects in respect of their MDAs.

Bilateral Discussions

10. As usual, the bilateral discussion provides an opportunity to jointly review the proposals submitted by MDAs to ensure compliance with the guidelines. Considering the time factor, it is planned that Bilateral Discussions on the 2023 Budget which will start with non-MTSS MDAs commencing on Tuesday 13th September, 2022 while those from the MTSS Sector MDAs will commence on Tuesday 20th September 2022. In line with this, the compiled Budget Proposals should be submitted in triplicate and soft copies on or before Monday 12th September, 2023. MDAs should be strictly guided by these deadlines please.

11. Finally, it should be emphasized that Sector MDAs are enjoined to pursue the preparation of their 2023 budget proposals alongside the MTSS Roll-over to ensure consistency and save time as the process is slightly behind schedule. This is especially so as the deadline for the submission of the final draft of the reviewed and updated MTSS would be the same with that of the 2023 Budget Proposals which is Monday 12th September, 2023. High-level review of the draft proposed budget to be chaired by the Executive Governor is expected to hold dearly in October in preparation for the presentation of the proposed budget to the State Economic Planning Board and the State Executive Council. In line with the State Budget Calendar, it is planned that the 2023 Appropriation Bill will be submitted to the State Legislature very early in the Month of November, 2022. Honourable Commissioners and Accounting Officers are kindly requested to give due regard to this circular and ensure that they actively engage

and lead the process themselves within their Sectors / MDAs. MDAs are required to strictly be guided by the guidelines of this circular especially the already issued Sector Envelops and the Budget Ceilings provided in this Circular.

12. Please accept our sincere regards.



Aminu Adamu Ringim
Ag. Permanent Secretary