



DIRECTORATE OF BUDGET AND ECONOMIC PLANNING

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

Tel: 07033852606, 08039434277; website: www.jsbepd.org

Ref: DOB/PLN/MTSS/V.I/10

Date: 24th August, 2022

26th Muharram 1444 A.H

«Recipient»

«Location1»

«Location2»

CALL CIRCULAR FOR 2023 – 2025 ROLL-OVER OF MEDIUM TERM SECTOR STRATEGIES (MTSS) AND SECTOR PLANS

Introduction

This circular is issued in line with the provisions of Section 20(i), Part IV of the Jigawa State Fiscal Responsibility Law No. 6 of 2009 and Section 6(i) Part II of Law No. 2 of 2019 (Jigawa State Public Expenditure & Financial Management Law). Both Laws make provision for the development of Medium-term Expenditure Frameworks (MTEF) and Medium-Term Sector Strategies as part of the Annual Planning and Budget Processes in Jigawa State. The purpose is to ensure that the annual budget is consistent with the medium-term development priorities set out in the MTEF and consistent with the socioeconomic development objectives of the State as may be contained in its policy documents particularly the Jigawa State Comprehensive Development Framework being the overarching State policy Document. As part of the PFM Reform initiatives, the MTF / MTSS Process help ensure that “...the budget process is pursued within a framework that supports strategic prioritization and rational resources allocation...” in accordance with budget realities and policy priorities.

2. In line with the foregoing, the Directorate of Budget and Economic Planning has developed the 2023 – 2025 MTEF informed by a comprehensive policy brief which also contains a brief overview of the current Economic & Fiscal Updates, Fiscal Strategy Paper and Budget Policy Statements. The Policy Brief also draws a lot from the Federal MTEF as to remain consistent with realities of the Nigerian Economy. Majorly, the MTEF provides both the medium-term Fiscal and Budget Frameworks based on which the 2023 – 2025 MTSS and the 2023 Budget would be conceived. The purpose of this Circular is to issue the Sectoral Resources Envelops derived from the Budget Framework to be used in the MTSS and Sector Plans Roll-over and subsequently provide the context for the 2023 Budget.

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 that

would inform both the MTSS and the Annual Budget 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 require 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 on projects and programmes that could potentially expand access to and quality of human development services particularly education, health, economic empowerment and social protection.

The MTSS Roll-over Process

4. The 2023 – 2025 MTSS would entail a review and update of the last year's MTSS, including current priorities. The recommendations contained in the respective reports of Annual Sector Performance Review should be taken into account in the MTSS review process. In the same vein, the usual MTSS Templates should be maintained while also adhering to the usual process involving the following among other things:

- Clear articulation of **medium-term goals** and **objectives** against the background of the overall goals of the Jigawa State CDF II and the Sectoral Policy Objectives (as in the Strategic Health Plan, State Education Sector Plan and State Water Policy, Agric. Policy, Social Protection etc).
- Identification of key **initiatives** in terms of projects and programmes that will be implemented to achieve the stated goals and objectives. These may be in form of on-going projects and programmes, however, **ON-GOING PROJECTS** should be given utmost importance to make sure they are completed. What is critical is to ensure direct linkage between the **outputs** of the identified initiatives and their eventual **outcomes** as to ensure that projects and programmes lead to the attainment of the set targets;
- Though the resource envelop may not be adequate to finance your proposed initiatives, however prioritization mechanism should be used to select the projects with huge return on investment. As the current inflation rate in Nigeria reached almost 19%, realistic costing or resource allocation is critical with a clear and transparent manner phased over the medium-term (2023 – 2025) taking into account existing commitments and the constraints of the resource envelop for the sector;
- Defining expected **outcomes** of the identified initiatives in a SMART manner – that is in a specific, measurable, attainable and realistic manner over the specified time horizon. Related to this is the need to clearly identify the Key Performance Indicators that relate to each output;

- Ensuring that medium term goals and objectives are **well-prioritised** and synchronised with the identified key initiatives. This would help ensure strategic resources allocation from the given resources envelopes among the identified priorities and initiatives. It would thus be essential to critically re-evaluate the relevance of all existing portfolio of projects and programmes as to deemphasise those that may not make any meaningful impact on the primary sectoral policy goals and objectives captured in the CDF II.

The MTSS Format

5. As earlier indicated, the same Log frame template used to develop the current sector plans is to be maintained. The template captures in a table format all the essential requirements needed to establish the CDF-Budget link. These include the medium-term goals and objectives; the key initiatives in terms of projects and programmes that would deliver the stated goals and objectives; indicative costing with specific time-lines; immediate outputs and envisaged outcomes defined in a SMART manner. All these elements have been explained in paragraph 4 above.

6. As a matter of emphasis, projects and programmes must take into account existing budget commitments and their relevance to the attainment of the overall sectoral policy objectives. The **linkage** between the **initiatives** identified in the documentation should be clearly visible with the overall sectoral objectives as captured in the CDF II otherwise what would feed into the budget from the medium-term plans may not necessarily deliver CDF II objectives. It is important to note that depending on the extent of resources constrains and progress achieved so far in budget implementation as might have been informed by the performance review, it may possibly to undertake a **re-prioritization** of the sectoral policy objectives & targets identified in the CDF II. Where this is done, it should be clearly highlighted in the reviewed / updated MTSS documentations.

Indicative Resource Envelopes

7. Provided hereunder is the indicative sectoral resource envelop as derived from the MTEF Budget Frame work which provided the overall resource that would be available as common funds. As usual, the sector resource envelopes covers only the projected discretionary funds accruable into the Consolidated Revenue Funds of the State. In other words, the sector envelopes provided excludes capital receipts that are tied to specific projects and programmes treated as contra-entries in the budget. These may either in form of grants, loans, reimbursements or financing items. Agencies should nonetheless identify and include these in their presentations particularly where there is sufficient evidence that draw-downs are expected in the medium term. While the issued resource envelopes relate to whole sectors, efforts was made to provide further guidance as regards to divisions within key expenditure components (personnel, overhead cost and capital expenditure).

8. Sectors should also ensure that there is strategic prioritization in resource allocation based on existing priorities, commitments and relevance of projects/programmes to the attainment of desired outputs and outcomes. While technical support would be available to all sectors by the Sector Desk Officers from the Directorate, a one-day strategy session would be arranged for all the sectors. Sectors would be informed in due course on the actual date.

Sector Indicative Envelop
«Sector_Envelops»

9. Finally 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 Friday 16th September 2022. It is worthy of note that Bilateral Discussions on the 2023 Budget which will start with non-MTSS MDAs are scheduled to commence on Tuesday 13th September, 2022 while those from the MTSS MDAs will commence on Tuesday 20th September 2022. MDAs should be strictly guided by these deadlines please.

10. Please accept my esteemed regards.

Aminu Adamu Ringim
(Acting Permanent Secretary)