

The Chief of Staff to His Excellency,  
Principal Private Secretary to Deputy Governor,  
The Secretary to the State Government,  
The Head of Civil Service,  
The Clerk of the House,  
The Chief Registrars of High Court/Sharia Courts,  
All Honourable Commissioners,  
All Chief Executives of Extra-Ministerial Dept. and Parastatals,  
The Chairman CSO's Network

**CALL CIRCULAR FOR 2021 BUDGET PREPARATION**

**1.0 Introduction**

This is to inform all the Accounting Officers of their responsibilities to prepare their 2021 proposed budget for their respective MDAs taking into cognizance that the budget is coming at a time the world is battling with the effect of COVID-19 pandemic. This has adversely affected the revenue generation capacity of the country, hence limiting the allocation of funds to State from the Federation Account. The State is working closely with the Federal Government to cushion the effect of the pandemic on general public.

Consequently, all MDAs are advised to come-up with proposals that will complement the efforts of the State in this regards. MDAs are to study the circular carefully so as to comply with all the provisions and requirement herein. Should you be in doubt of any provision of the circular, you are free to contact the Ministry of Budget and Economic Planning for clarification and technical support.

## **2.0 Fiscal Framework 2021**

- i) A detailed analysis of prior economic performance at Global, Africa, National and the State level, as well as a mineral sector performance, and the fiscal performance of the State revenue and expenditure from the year 2015-2020 are the indices used in arriving at the 2021 - 2023 Propose Budget projection with some macro-economic assumption of inflation rate at 11.95%, GDP growth at 3%, oil production benchmarks at 1.8 mbpd, exchange rates ₦360, oil prices \$40, mineral ratio at 30% among others.
- ii) The 2021-2023 fiscal framework envisages improve efficiency in revenue administration and strict expenditure control. Consequently, no spending unit may be allowed to deviate from its resource envelopes.

## **3.0 Objectives of the 2021 Budget**

The objectives of the 2021 State Budget as defined in the States development policy document and the inaugural speech of the Governor.

- i) The 2021 expenditure at sustainable level;
- ii) Ensure that capital investment fund is directed to the government priority areas of Agricultural, Educational development, Healthcare delivery, Infrastructural development, Youth empowerment, Women and vulnerable groups, societal orientation and environmental sustainability as well as water supply and sanitation;
- iii) Build greater transparency, accountability and comprehensiveness into the budget process;
- iv) Use the budget to further the goals of job creation, poverty reduction and agricultural growth as articulated in the State's policy documents and Governor's inaugural speech;
- v) Completion of all on-going projects.

## **4.0 Strategic Priorities**

Every spending entity is advised to ensure that all activities that are urgent and important in the 2021 fiscal year are included in their proposed budget by way of strategic sector priorities within the allocated resources.

## **5.0 Guidelines for the 2021 Budget**

All spending agencies are advised to: -

- i) Articulate their budget against the background of the overall goals of YOSERA V, the SDGs goal and ERGP among others;
- ii) Ensure the link between MTSS and the annual budget;
- iii) Identify and document key initiatives being embarked upon to achieve their goals and objectives i.e. key projects and programmes;
- iv) Cost the initiatives, prioritize and phase them if possible within the 3 years capital expenditure ceiling (2021, 2022 & 2023);
- v) Determine the expected result of the initiatives in clear measurable terms;
- vi) Programmes with foreign component, should be spelled out showing anticipated amount from the foreign partners and State counterpart contribution if any;
- vii) Report on the performance of the current year January – August 2020 must be attached including information on revenue collection;
- viii) Inputs from House of Assembly members, CSO's, Community leaders should be part of the budget proposal;
- ix) Liabilities form part of your Ceiling;
- x) Ensure that budget estimates are within the ceiling provided;
- xi) Integrate recurrent and Capital Expenditure using the specified ceilings;
- xii) Use of appropriate budget classification and codes;
- xiii) To liaise with their respective departments and unit in coming with their proposals;
- xiv) Ensure consistence with sector strategy;
- xv) Ensure that the appropriate forms and formats are used;
- xvi) Capital expenditure will be gradually migrated from the conventional cash to accrual basis (refer to BC & COA);
- xvii) Activities with element of COVID-19 should be included in the proposed budget 2021.

## 6.0 Internally Generated Revenue

All accounting officers may wish to note that: -

- ❖ Our continuous dependence on the Federation Account implies that our internally generated revenue is nothing to write about, thus, it is therefore incumbent on all MDAs to remain steadfast and prudent in revenue collection and curb imminent leakages;
- ❖ The chart of account and code classification has comprehensive list of sources which could be used by all generating institutions;
- ❖ MDAs are advised to open more windows and initiate for more sources of generating revenue refer to Annex I

## 7.0 Grants & Loans

Clearly indicate expected grants and loans, if any, from Federal, Local Government, Non-Governmental Organizations and Development Agencies etc to form part of your capital programme using Annex II respectively.

## 8.0 Recurrent Expenditure

It is expected that each organization will aim at reducing wastages and eliminating flaws to curtail over blowing the budget with over costed materials. Agencies are therefore advice to study the attached annex carefully, putting more emphasis on public accountability and prudent spending of public funds.

### i) Staff List

Refer to Annex III You may wish to liaise with other departments in order to obtain adequate information on each category of staff.

### ii) Personnel Cost

Refer to Annexes IV Your organization is to work within the sum of =N= 160,333,622 2021  
=N= \_\_\_\_\_ 2022  
=N= \_\_\_\_\_ 2023 as the allocated ceiling for the personnel cost.

**iii) Overhead Cost**

Refer to Annex V. Your organization is to work with in the sum of: -

=N= 50,540,000- \_\_\_\_\_ 2021

=N= \_\_\_\_\_ 2022

=N= \_\_\_\_\_ 2023

As the allocated ceiling(s) for your organizational operating cost i.e. Fixed and the recurrent services

**9.0 Capital Expenditure**

All Accounting Officers are reminded to strictly observe the following: -

- i) Priority must be given to ongoing projects of high level value to the state and payment of liabilities;
- ii) You may need expert to assist in estimating the costs of a new projects of high value to the State in order to achieve the laudable programmes of this administration;
- iii) The ceilings allocated for your capital expenditure for the 3years' time-frame are: -

2021\_50,000,000 \_\_\_\_\_

2022 \_\_\_\_\_

2023 \_\_\_\_\_

You are to work within this parameter and also note that the ceilings given include payments of liabilities, ongoing projects and new projects, Refer to Annex vi.

**10.0 Submission of the Proposed 2021 Budget**

Three copies of your proposal and soft copy using the template should reach the Ministry of Budget and Economic Planning on or before 30<sup>th</sup> September, 2020.

## **11.0 Conclusions**

All MDAs are hereby advised to adhere strictly and comply with the guidelines outlined in this call circular, please.

**Hon. Muh'd Garba Gagiyo,**  
*Honourable Commissioner,*  
Min. of Budget & Planning.