



BUDGET AND ECONOMIC PLANNING DIRECTORATE

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Our Reference: DOB/BGT/S/247/V.II/13

Date: Friday 6th September, 2019

6th Muharram, 1441 A.H

«Address_1»,

«Address_2»,

«Address_3»

RE: 2020 BUDGET CALL CIRCULAR (BCC) FOR THE SUBMISSION OF REVENUE & EXPENDITURE PROPOSALS

Introduction

1. The purpose of this circular is to request Accounting Officers across all Ministries, Departments and Agencies (MDAs) to prepare and submit their Budget Proposals in respect of 2020 Fiscal Year. The circular will provide all the necessary guidelines and templates that would assist Government Agencies in the preparation of the Budget Proposals. It is worthy of note that Sections 20 – 24 under Part III of the Jigawa State Fiscal Responsibility Law has made ample provisions for the Annual Planning and Budget Processes in which Accounting Officers are key players. Already, based on the 2020 – 2022 Medium Term Expenditure Framework (MTEF) developed by the Directorate, Eight Sectors - namely, Education, Health, Agriculture, Water & Sanitation, Commerce & Investment, Environment, Critical Infrastructure and Lands & Regional Development – have developed their respective Medium Term Sector Strategies (MTSS) containing among others, the planned projects and programmes for the period 2020 to 2022. For Agencies within these Sectors, much have already been done with regards to the preparation of 2020 Budget Proposals. Notwithstanding, this Circular is issued generally to ALL Government Agencies specifically focused on the 2020 Fiscal Year and covers all components of the Budget as may be applicable to each Agency. These comprise of:

- Recurrent Internally Generated Revenues;
- Personnel Costs (staff establishments, basic salary and regular and irregular allowances);
- Other Recurrent Expenditure / Overhead Costs;
- Capital Receipts [revenues / incomes tied to specific capital projects]; and
- Capital Expenditure

Policy Thrust and Priorities

3. In line with the constitutional demand of ensuring “*the security and welfare of the people*” the long-term strategic development objective of the State remains to be the continuous improvement in the social and economic wellbeing of the people. This requires the continued pursuit of policies, programs and projects aimed at:

- Sustained growth and diversification of the State’s economy; and
- Sustainable improvements in all the basic human development indicators of the people across all sectors.

4. Even as some of the human development indices in the still constitutes huge challenge, recent demographic projections for the State portrayed a population trend, structure and composition that carries huge implications for the long-term socioeconomic development, security and prosperity of the people. Most

importantly, it underscores the need for a more **proactive, coordinated and well-targeted interventions that would greatly impact on human development by ensuring a healthy, educated, skilled and economically productive populations over the medium and long-term. This, therefore, constitute the policy thrust of the 2020 Budget and for several years thereafter. In the same vein, both recurrent and capital investment geared towards these areas would constitute the topmost priorities.** Broadly, this would entail:

- Expanding access to and quality of human development services particularly in the area of education, health and economic empowerment. In particular, addressing the issue of out-of-school children, high malnutrition among children, maternal and child healthcare challenges, high level of youth unemployment should be among the major areas of focus;
- Pursuit of multi-sectoral social protection programmes that prioritize children and women and reducing the burden of poverty among the extreme poor and the highly vulnerable including people with disabilities;
- Pursuit of programmes that socioeconomically empowers youths and women by integrating them into the main stream of the economic value-chain;
- Improved Local Governance and Community mobilization for participation in the socioeconomic development process.

5. While most of these are generally consistent with the long-term broad policy objectives enshrined in the Second Edition of the State Comprehensive Development Framework (CDF II), the submissions by MDAs should also be guided by other sectoral policy objectives. It would also be imperative to draw attention to the fact that coming at the eve of the Second Term of the current administration in the State, MDAs should take into account any emerging sector priorities that might have been determined at the Sector level in line with Government's political commitments.

Resources Expectations and Budget Ceilings.

6. The 2020 – 2022 MTEF developed by the Directorate provided a comprehensive and informed revenue and expenditure projections over the medium term and during the 2020 fiscal year in particular. The picture generally requires MDAs to manage expectations by not being overly optimistic. This is especially so in the light of several developments that may limit resources flow into the Consolidated Revenue Fund and most especially, the Capital Development Fund. The latter would certainly be affected by the still pending implementation of the new National Minimum Wage. Consequently, while effort would be made to control the burgeoning of recurrent expenditure, it is understood that this may only be achieved to a limited extent given the need to beef-up the manpower requirements in critical sectors such as education and health and considering that a number of ongoing projects in some of the sectors comes with their recurrent cost implications and the need to ensure continued improvements in the quality and accessibility of most public services. In the light of the foregoing, the following should guide and serve as hard budget constraints in preparing and submitting budget proposals for the 2020 Fiscal Year:

- Personnel Cost – In terms of Staff Establishments, the proposals for 2020 should reflect the Approved Establishments in the 2019 Estimates. This would be reviewed against actual staff on the Payroll of the Agency as of the Month of August 2019 during the bilateral discussions. This is especially as most of Agencies were yet to actualise the vacant provisions made in the current budget. While there would be strict restraint in making provision for recruitments in 2020, the need reviewed for all agencies on case-by-case basis taking into account current exigencies and the State sectoral priorities during the bilateral discussions;

- ❑ Other Recurrent Expenditure (Overhead Cost) – Based on the observed current trends and fiscal space portrayed from the 2020 – 2022 MTEF, it would be necessary to ensure that budget provisions for “Other Recurrent Expenditure” are in tune with the realities on ground. As earlier indicated, in addition to the constrained revenue flows envisaged in 2020, the still pending minimum wage upward-review calls for a more controlled measures with regards to the other expenditure components of the budget comprising of Overhead and Capital. Consequently, consistent with the 2020 – 2022 MTEF Projections, submissions by all MDAs for Other Recurrent Expenditure (Overhead Cost) **should be limited to 80% of their 2019 Approved Estimates as indicated below:**

Name of MDAs: «Address_2»	Other Recurrent Expenditure Budget Ceiling: «Overhead_Cost_Cielings»
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Allocations across various budget lines would be reviewed during the bilateral discussions to ensure that all critical operational areas that improved service delivery are adequately catered for. The bottom line is to ensure that adequate and much more realistic budgetary provisions are made to optimal performance and sustained service delivery;

- ❑ Capital Development Expenditure – For all MDAs that have developed their 2020 – 2022 MTSS, the First Year of the Projects / Programmes costing as revised during High-level MTSS Review Meeting Chaired by the Governor, should be presented as the Capital Expenditure Proposals for 2020 Fiscal Year. By and large, these were already subjected to the principles of strategic prioritization in project selection and resource allocation by taking full cognizance of the Revenue and Expenditure Projections in the 2020 – 2022 MTEF and the Sectoral Resources Envelop derived therefrom. However, as the State prepares to migrate into a new State-wide Integrated Financial Management Information System which doesn’t accept aggregated projection/programme allocations, submissions from the MTSS for incorporation into the 2020 Proposed Budget should be disaggregated and presented at the **Activity Level** in line with the templates provided.

For all other MDAs not involved in the MTSS process, Capital Expenditure Proposals should strictly limited to ongoing Projects and Programmes ONLY. Appropriate templates have been provided along with this Call Circular.

- ❑ Loans / Grants Funded Projects – MDAs are enjoined to continue to leverage on existing loans and grants to complements their regular projects and programmes directly funded from the central treasury. Even though a number of MDAs have provided adequate information on these, many others did not. Consequently, all MDAs are required to resubmit the details of projects and programmes envisaged to be funded from loans and grants during the 2020 Fiscal Year.

Consultations in the Budget Process

7. As usual, in line with the requirement for inclusiveness in the budget process, accounting officers are enjoined to ensure sector-wide consultations and stakeholder participation / involvement in the budget preparation process. As done during the MTSS Strategy Session, Civil Society and Non-Governmental Organizations and other Development Partners whose have stakes in the programmes related to the MDAs should be sufficiently consulted and involved as to incorporate their inputs in the budget proposals.

10. Bearing in mind all the guidelines contained in this circular MDAs are hereby requested to prepare and submit their 2020 Budget Proposals based on the templates provided as listed below and attached to this circular. Efforts have been made to simplify the templates by providing active current year budget lines with the Approved Estimates. MDAs

only need to provide the requested Budget Outturns in respect of 2019 Approved Estimates and the corresponding Proposed Estimates for 2020 Fiscal Year.

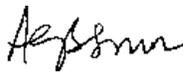
- Form 1 Recurrent Revenue Proposals
- Form 2 Details of Personnel Cost by Grade Levels and title of Posts which should be consistent
- Form 3 Summary of Proposed Establishments by Posts and Grade Levels (as per August 2019 Payroll)
- Form 4 Recurrent Expenditure Personnel Costs Summary (Basic Salary, 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

11. In line with the timelines of the 2020 Budget Calendar, it is planned that Bilateral Discussions on the 2019 Budget Proposals would be conducted during the period of Monday 16th – Friday 27st September, 2019. As usual, the bilateral discussions would provide opportunity to jointly review submitted proposals as to ensure that they comply with the guidelines provided in this circular. As it is planned that the usual high-level review of the consolidated draft proposed budget with the Governor would come up in the first week of October, Accounting Officer should ensure that Budget Proposals are submitted within the given deadline. This would allow ample time for subsequent consideration of reviewed draft budget by the State Economic Planning Board and the State Executive Council and presentation to the State Legislature – all planned to be accomplished by the end of October, 2019.

12. Finally, all Accounting Officers are enjoined to give this circular the due consideration it deserves. Submissions should be very comprehensive and strictly in accordance with guidelines provided. Budget Proposals should **be submitted to this Directorate in triplicate of hard copies and soft copy on a flash drives, at least three days to the date slated for the Bilateral Discussion with your Agency as per the attached time-table.**

13. Please, accept our sincere regards.



Adamu Muhd Garun-Gabas, OON
[Permanent Secretary]