



BUDGET AND ECONOMIC PLANNING DIRECTORATE

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

Tel: 08036832233, 08065282818; website: www.jsbepd.org

Our Reference: DOB/BGT/S/245/V.I/1

Date: 20th August, 2018

9th Dhul-Hajj, 1439 A.H

«Address_1»,

«Address_2»,

«Address_3»,

«Agencies».

RE: 2019 BUDGET CALL CIRCULAR (BCC) FOR THE SUBMISSION OF REVENUE & EXPENDITURE PROPOSALS

Introduction

1. In fulfilment of section 21(1) of Part III of the Jigawa State Fiscal Responsibility Law, I am directed to issue the 2019 BCC for the submission of Revenue and Expenditure proposals for 2019 Fiscal Year (FY) to all Ministries, Departments and Agencies (MDAs). As usual, the circular will briefly provide highlights for 2019 – 2021 Medium Term Expenditure Framework (MTEF) and other guidelines required in the preparation and submission of the proposals for all the applicable budget components. In particular, the circular seeks to:

- a) Request all Government Agencies to prepare and submit their 2019 Budget Proposals as applicable, in the following areas in line with the guidelines and formats provided:
 - Recurrent Internally Generated Revenues;
 - Personnel Costs (staff establishments, basic salary and regular and irregular allowances);
 - Other Recurrent Expenditure (overheads and other recurrent expenses for service delivery);
 - Capital Receipts (including loans, grants, reimbursements, and other miscellaneous capitalised receipts);
 - Capital Expenditure
- b) Keep Ministries, Departments and Agencies (MDAs) informed of the key highlights of policy objectives and priorities in the 2019 FY; and
- c) Provide MDAs with the preliminary budget ceilings that set the upper limit of expenditure proposal for the 2019 FY. For MDAs involved in the preparation of Medium-term Plans, this would also include the resources envelop earlier issued in the MTSS / MTSP Call Circular for information.

2019 – 2021 MTEF and the 2019 Budget

3. As highlighted in the recently issued 2019 – 2021 MTSS call circular, the MTEF provides basis for resource projection and allocation over the medium term and in accordance the development objectives and priorities of the State as provided in the Comprehensive State Development Framework (CDF II). While on the one hand, the MTSS serves as a costed medium-term for phases implementation of the CDF, on the other hand, it majorly provides the context of the annual budget. A major output of the MTEF thus include Sector Envelops for medium-term plans and budget ceilings for the annual budget. While CDF contains broad goals, policy objectives and priorities, the respective sections for each sector goes further to provide the specific policy objectives, priorities and targets to attained for each sector. Conscious effort must be made

to main the strategic linkage between all the specific sector policy objectives and priorities and your budget proposals. It is only by doing that budgetary outputs and outcomes would result in the attainment of targets set to be achieved.

Policy Objectives and Priorities in the 2019 FY

5. While the specific sector policy objectives and priorities would be provide the principal point of reference in articulating the budget proposals at MDAs level, these must also be linked to toe overarching policy objectives and priorities of the State. In other words, resources allocation to various expenditure components should be outcome-oriented, consistent with the sectoral policy objectives and priorities and clearly aligned with the overall state development objectives. Generally, the focus would continue to be sustainable and inclusive economic growth, economic diversification and improved access to more qualitative public service delivery particularly in the human development sectors. Accordingly, one of the key priorities over the medium term would continue to be stimulating rapid growth in the real sectors of the state's economy notably agriculture; continued provision of critical economic infrastructure; economic empowerment and continued government support to initiatives that promote inclusive and sustainable economic empowerment especially linked to agricultural value-addition; and social protection initiatives that could fast-track attainment of the Sustainable Development Goals (SDGs).

Budget Ceilings and Revenue & Expenditure Guidelines:

7. As earlier mentioned, the 2019 – 2021 MTEF as approved by the State Government, is the basis for the Sector Envelops issued in the MTSS Call Circular and the MDA Budget Ceiling to be provided in this circular. In the light of this, all accounting officers are enjoined to note that for MDAs that prepare medium term plans including both MTSS and MTSP, their capital expenditure proposals would be based on the shared sector envelops (already issued) and initiatives captured in MTSS document of their respective sectors. As usual, the main objective is to ensure that budget proposals are comprehensive, realistic and consistent with medium-term policy objectives and priorities of the State Government enshrined in the CDF. In addition, in articulating budget proposals, first consideration should be given to existing capital expenditure commitments for priority projects and programmes with higher potentials to delivery sector policy objectives and targets. Other important guidelines in the preparation of revenue and expenditure proposals include the following:

- i) **Recurrent Revenue and Capital Receipts** – The proposals for these should be very realistic – neither overly ambitious nor underestimating existing potentials. In line with the objective of accelerated growth in IGR, efforts should be geared towards policy initiatives help improve collection and blockage of leakages. With the Treasury Single Account policy in place, revenue collecting agencies are expected to fully comply with the policy. In the same vein, all Agencies that are expecting loans and / or grants drawdowns that are tied to capital expenditure should only capture appropriate trench of such loans or grants expected in 2019 FY in the capital receipts format.
- ii) **Personnel Costs** – The impending upward review of the national minimum wage calls for extreme caution in personnel cost management. Consequently, proposals for personnel cost should strictly be based on actual establishments as of August 2018 Payroll allowing for promotions and annual increments. Where there is critical and urgent need to recruit, a separate format is provided to present these with indication of clear justification for the proposed recruitments. Cases of transfer of service from other agencies or out of the agency should also be presented along with the Personnel Cost Proposal. In the same vein, data on casual staff should be provided indicating their number, services being performed and the respective amounts being paid on monthly basis;
- iii) **Overhead Costs** – Essentially, overhead cost is meant to facilitate service delivery and ensure effective functioning and performance of the MDAs. While ensuring that proposals are limited to ceilings provided, allocations across the various economic codes should priorities those that have direct bearing towards improving access and quality of public service delivery. Noting that some policy objectives are achieved through overhead costs, such consideration should also guide the preparation of the proposals of the affected MDAs. Self-financing Agencies should limit their overhead cost proposal to the limit of at least 90% of their IGR in view of full implementation of the TSA policy.
- iv) **Capital Expenditure** – Noting that the MTSS Sectors constitute a significant proportion of the budget, the capital expenditure proposals would also be largely derived from the first year of the medium-term plans. Consequently, all MDAs involved in the preparation of MTSS are to derive their Capital Budget Proposals from MTSS or MTSP

as applicable and for these MDAs the capital expenditure ceiling provided herein is the same with the earlier issued Sector Envelops which is to be shared among Sector Agencies. In line with the principles of medium-term planning, Capital Expenditure allocation to projects and programmes should be prioritized in line with the overall medium-term sectoral policy objectives and priorities as enshrined in the CDF and MTSS documents. As a matter of priority, the proposals should as much as possible consider existing capital commitments and ongoing projects. New Capital Expenditure Proposals would only be considered after exhausting sector envelops on existing commitments, or where they are critical complementary to other ongoing or completed projects or backed by executive orders. The capital expenditure ceilings provided in the box includes counterpart-funding (where applicable) on loans/grants financed projects but exclude the expected loans and grants draw downs.

8. To guide preparation of the proposals for 2019 FY, the budget ceilings for various expenditure components in respect of your Agency are given below. This should be used as the upper limit of **expenditure of the proposal for the 2019 FY**. As usual, where so desired, Agencies are permitted to shift resources from recurrent to capital expenditure to give room for additional capital investments for either completion of ongoing projects or the attainment of specific policy targets. Nonetheless, in so doing Agencies should be conscious of the recurrent cost implications of both the ongoing and completed capital projects. Adjustments to the ceilings involving shift of resources from Capital to Recurrent is highly discouraged unless geared towards specific service delivery areas.

BUDGET CEILINGS INFORMATION		
Name of Agency	«Address 2»	
Personnel Cost (Staff Establishments)	«Personnel_Cost_Staff_Establishments_»	Remarks: «Personnel_Cost_Remarks»
Overhead Cost	«Overhead_Cost_Ceilings_»	Remarks: «Overhead_Cost_Remarks»
Capital Receipts	Remarks: «Capital_Receipts_Remarks»	
Capital Expenditure	«Capital_Expenditure_Ceilings_»	«Capital_Expenditure_Remarks»
Sector Envelops	«Sector_Envelop_as_provided_in_MTSS_Circu»	

Consultations in the Budget Process

9. 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 with the preparation of MTSS / MTSP by the SPTs, Civil Society and Non-Governmental Organizations and other Development Partners whose have stakes in the programmes related to the MDAs should be engaged as to incorporate their inputs in the budget proposals.

10. Bearing in mind all the guidelines contained in this circular and the expenditure ceilings provided above, MDAs are hereby requested to prepare and submit their 2019 Budget Proposals based on the templates provided as listed below and attached to this circular.

- Form 1 Baseline Data Format (For some selected Agencies)
- Form 2 Details of Personnel Cost by Grade Levels and title of Posts
- Form 3 Summary of Proposed Establishments by Posts and Grade Levels (as per August 2018 Payroll)
- Form 4 Recurrent Expenditure Personnel Costs Summary (Basic Salary, Regular and Non-regular Allowances) and Other Recurrent Expenditure (Overheads)
- Form 5 New Proposals on Personnel Recruitment and/or Transfer of Service indicating Posts and Grade Levels & justification;
- Form 6 Overhead Cost Proposals;
- Form 7 Revenue (Including Capital Receipts Proposals);
- Form 8 Capital Expenditure Projects and Programmes (including Special Expenditure Proposals);

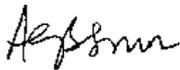
Bilateral Discussions

11. In compliance with 2019 revised budget calendar, it is planned that Bilateral Discussions on the 2019 Budget Proposals would be conducted during the period of Monday 10th – Friday 21st September, 2018. As Accounting Officers

are fully aware, the bilateral discussions provides opportunities for constructive engagement towards ensuring that the proposals are comprehensive and reflect the priorities of the government. In addition, the discussions also expand and deepen collaboration and coordination between Sector MDAs in the attainment of sectoral policy objectives and targets. With the planned presentation of the 2019 Appropriation Bill to the State House of Assembly in October, Accounting Officers should ensure appearance of their respective Agencies on the slated dates and times as there may not be opportunity for a supplementary timetable. This is more so taking into consideration the high-level review of the draft budget chaired by the Governor which comes before presentation to the State Economic Planning Board, State Executive Council and the State Legislature. The Bilateral Discussion Timetable is also hereby attached for information and noting of your Agency appearance date and time.

12. Finally, all accounting officers are enjoined to give this circular due concern by strict adherence to the guidelines for the preparation of 2019 budget proposals and budget ceilings as the upper limit for expenditure proposals. The **proposals should be submitted to this Directorate in triplicate both hard copies and soft copy on flash drives, at least three days to the date slated for the Bilateral Discussion with your Agency as per the attached timetable.**

13. Please, accept our sincere regards.



Adamu Muhd Garun-Gabas, OON
[Permanent Secretary]

For: Honourable Commissioner for Finance & Economic Planning