

MFBEF/S/11/VOL. I/252

9<sup>th</sup> October 2023

**The Chief of Staff,  
Government House Administration,  
Office of the Chief of Staff,  
Government House,  
Jalingo.**

**The Head of Service,  
Office of the Head of Civil Service,  
State Secretariat,  
Jalingo.**

**All Permanent Secretaries.**

**The Clerk,  
Taraba State House of Assembly,  
Jalingo.**

**The Chief Registrars High Court, Customary Court, and Sharia Court of  
Appeal,  
Jalingo.**

**All Chief Executives of Boards/Parastatals/Extra-Ministerial Departments**

## **1.0 Introduction**

1.1 This call circular sets out directions for submission of data and information that will be used to prepare the 2024 Annual Budget. Ministries, Departments and Agencies (MDAs) are expected to prepare and submit their 2024 recurrent and capital budget proposals in accordance with the guidelines provided in this circular.

1.2 As you may be aware, attempts have been made in previous years to introduce reforms in our budgeting process in the light of the overall reforms in public financial management. It is the desire of the government to vigorously follow these reforms in 2024 and further to consolidate and improve government's ability to utilize scarce resources in an effective and efficient manner to support broad governance and development objectives. In this respect, the 2024 budget preparation is to ensure that public funds are used for programs which have been well thought out and are the best alternatives. Importance will therefore be attached to results and performance rather than input and activities in budget preparation. Accounting Officers and their officials are therefore invited to follow these guidelines strictly to be able to prepare proposals that meet acceptable standards.

## **2.0 Review of 2023 budget implementation (first half of 2023)**

2.1 For a realistic 2024 budget and projections in the 2025 and 2026, we need to look at our performance at Mid-year for revenue and expenditures. This will guide our decisions for the next financial year and in the medium term.

### **2.2 Revenue**

2.2.1 The key assumptions for the 2023 budget were: National real Gross Domestic Product (GDP) growth rate at 3.75%, National Inflation rate at 17.16%, oil price benchmark of US\$70 per barrel, oil production quota of 1.69 million barrel per day, and exchange rate of ₦435.02/US\$1.

2.2.2 In accordance with these, the State share of revenue from the Federation Account (FAAC), Internally Generated revenue, and receipts were projected at ₦173,234,537,459.40.

2.2.3 However, as of 31<sup>st</sup> June 2023, actual revenue reported from all sources stood at ₦39,463,743,606.04 (representing 45.72% of the ₦86,317,268,729.70 of the

prorate budget for the period) which shows a short fall of ₦46,853,525,123.66 representing 54.28% variance. The budget performance for the first half of the year 2023 is presented in table 1 below.

**Table 1: 2023 (January – June) Fiscal Performance: Revenue**

REVENUE	2023 APPROVED BUDGET (BILLION ₦)	PRO RATA (JAN.- JUNE 2023) (BILLION ₦)	ACTUAL PERFORMANCE (JAN. – JUNE 2023) (BILLION ₦)	VARIANCE (BILLION ₦) %	
<b>Opening Balance</b>	₦600,000,000.00				
<b>Statutory Allocation</b>	46,967,546,515.00	23,483,773,257.50	20,200,442,100.00	3,283,331,157.50	13.98
<b>Value Added Tax (VAT)</b>	26,403,710,789.00	13,201,855,394.50	13,420,336,278.46	(218,480,883.96)	(1.65)
<b>IGR</b>	19,388,694,342.40	9,694,347,171.20	4,036,004,054.00	5,658,343,117.2	58.37
<b>Capital receipts</b>	79,874,585,813.00	39,937,292,906.50	1,806,961,173.58	38,130,331,732.92	95.48
<b>Total</b>	<b>173,234,537,459.40</b>	<b>86,317,268,729.70</b>	<b>39,463,743,606.04</b>	<b>46,853,525,123.66</b>	<b>54.28</b>

Source: Ministry of Finance, Budget & Economic Planning

## 2.3 Expenditure

2.3.1 The sum of ₦173,234,537,459.40 was estimated to be expended on the 2023 budget for recurrent and capital expenditures. However, only the sum of ₦34,952,177,155.52 was spent as of June 2023 representing 40.35% as against the pro-rated figure of ₦86,317,268,729.70. This depicted a short fall of ₦51,665,091,574.18 representing 59.65% as can be seen in table 2 below.

**Table 2: Expenditure performance for the half 2023**

Fiscal item	2023 APPROVED BUDGET (BILLION ₦)	PRO RATA (JAN.-JUNE 2023)	ACTUAL PERFORMANCE (JAN. – JUNE 2023) BILLION ₦	VARIANCE BILLION ₦ %	
<b>Personnel cost</b>	37,620,379,556.00	18,810,189,778.00	13,768,704,499.24	5,041,485,278.76	26.80
<b>Other Recurrent cost</b>	36,936,449,532.15	18,468,224,766.08	11,751,211,687.06	6,717,013,079.02	36.37
<b>Capital Expenditure</b>	98,677,708,371.25	49,338,854,185.63	9,432,260,969.22	39,906,593,216.41	80.88
<b>Total</b>	<b>173,234,537,459.40</b>	<b>86,617,268,729.70</b>	<b>34,952,177,155.52</b>	<b>51,665,091,574.18</b>	<b>59.65</b>

Source: Ministry of Finance, Budget & Economic Planning

### 3.0 The 2024 Budget framework

3.1 Based on the macro-economic indices, we have adopted the following provisional key underlying assumptions to arrive at the 2024 projections. The parameters are:

Table 3: Provisional Key assumptions

1	National real Gross Domestic Product (GDP) growth rate	3.75%
2	National Inflation rate	17.16%
3	Oil price benchmark	US\$70
4	Oil production quota (mbpd)	1.69
5	Exchange rate	₦435.02 /US\$1

Source: FMBNP, CBN & NBS (2023 key assumptions)

3.2 For the 2024 – 2026 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) the total fund from all sources is projected at ₦211,580,462,456.00. Similarly, the expenditure including deficit to be finance is also projected at ₦211,580,462,456.00.

### 4.0 Guidelines for 2024 Budget preparation

#### 4.1 Resource envelop (Budget Ceiling)

4.1.1 As always, the Budget ceiling for **all Ministries is to cover for personnel cost, overhead cost and capital projects for the Ministry and its parastatals**, while for the departments and agencies it is **to cover the personnel and overhead costs**. All MDAs are expected to work within the ceiling given to them as there is no reserve left to be shared to those that may want to exceed their ceiling.

#### 4.2 Expenditure

4.2.1 As part of the government’s strategy to ensure delivery of value for money in its expenditures and reduce wasteful expenditure, MDAs are encouraged to make realistic proposals. MDAs should note that payment of salaries and allowances are for legitimate employees of the State only. Any unauthorized payments from personnel cost will attract appropriate sanctions. Therefore, the proposals for personnel cost must be for existing staff (those on the pay roll) with only 10% added to the actual to address incrementals and promotions.

MDAs are enjoined to give priority to new projects that align with the top priorities of the current administration, those that will lead to increase in revenue and to ongoing capital projects.

### 4.3 FORMATS AND TEMPLATES

4.3.1 As you might have noted, a National Chart of Accounts (NCoA) compliance Budget was introduced in the State three years ago. All MDAs are enjoined to follow the National Chart of Accounts (NCoA) compliance template to provide all necessary information required.

### 4.4 BUDGET SUBMISSION

4.4.1 MDAs are required to provide detailed budget proposal for 2024 and indicative figures for 2025-2026 and submit six (6) hard copies and a soft copy in a *flash drive* to the Permanent Secretary (Budget and Economic Planning), Ministry of Finance, Budget and Economic Planning **on or before Friday 27<sup>th</sup> October 2023**.

### 4.5 BUDGET TIMELINE

S/N	Activity	Date	Responsibility
1.	Issuance of Call Circular	16 <sup>th</sup> October 2023	MFBEP
2.	Submission of Proposals by MDAs	27 <sup>th</sup> October 2023	MDAs
3.	Bilateral Discussions	30 <sup>th</sup> October 2023 - 10 <sup>th</sup> November 2023	MFBEP/MDAs
4.	Consolidation & Production of Draft 2024 Estimates	13 <sup>th</sup> -17 <sup>th</sup> November 2023	MFBEP
5.	Submission of 2024 Draft Estimates to the EXCO	22 <sup>nd</sup> November 2023	MFBEP
6.	Presentation of 2024 draft Estimates to the State House of Assembly	27 <sup>th</sup> November 2023	EXCO

#### Attached to this circular are:

- i. 2024 MDAs Resource Envelop (Budget Ceilings) - Annex 1
- ii. 2024 Budget Bilateral Discussion Timetable – Annex 2

iii. Customized **CD-ROM** containing budget template to be used in populating required information for 2024 Budget proposals.

5.0 Technical Support would be available in the Ministry of Finance, Budget and Economic Planning should there be any grey area in this circular. In this vein any inquiry should be directed to the **Permanent Secretary** through **phone number: 08034795443** or the Director of Budget through **Phone Number: 08038215320**

**Umar B. Bello, CNA**  
Permanent Secretary