



# BAYELSA STATE GOVERNMENT

STATE BUDGET OFFICE  
MINISTRY OF BUDGET AND ECONOMIC PLANNING

OUR REF: BUD/ADM/282/VOL.1/203

16<sup>th</sup> October, 2023.

The Secretary to the State Government  
The Head of Service  
All Hon. Commissioners  
All Chairmen of Statutory Commission & Boards  
All Directors-General  
All Permanent Secretaries  
All Managing Directors  
The Clerk of the State House of Assembly  
The Chief Registrar of the State High Court  
The Chief Registrar of the Customary Court of Appeal  
All Executive Secretaries  
Accountant-General  
Auditors-General (State/LG)  
All General Managers  
All Special Advisers  
All Senior Special Advisers  
All Technical Advisers  
All Extra Ministerial Department and Parastatals

## **BAYELSA STATE GOVERNMENT OF NIGERIA 2024 BUDGET PREPARATION AND SUBMISSION CALL CIRCULAR**

### **1. INTRODUCTION**

1.1 Section – (14) of the Bayelsa State Fiscal Responsibility Law (2009) as amended requires the Ministry of Budget and Economic Planning to issue the Budget Call Circular guiding the preparation of the Annual

Budget Estimates. Hence, this Budget Call Circular will provide guidance and clarity on the criteria for the Estimation of Revenue as well as the admission of Personnel, Overhead and Capital Expenditure in the 2024-2026 Estimates. We will continue to use the instrument of the IPSAS Classification and the Medium-Term Expenditure Framework (MTEF) in the preparation of the 2024 Annual Budget.

1.2 As usual the Call Circular will contain summaries of information of the 2024-2026 MTEF work and the Fiscal Strategy Paper (FSP), as well as detailed instruction on the preparation of the 2024 budget proposals of the MDAs.

1.3 The State Budget Office will only consider proposals that are in-line with the guidelines. All Desk Officers and Accounting Officers are encouraged to study carefully these guidelines because **Additional Economic codes have been added to the existing ones** so MDAs should take note of the Economic code relevant to their sectors and make provision accordingly.

## **2. BACKGROUND**

As we are all aware, the State derives over 70% of her revenue from the Federal Allocation. The removal of Fuel Subsidy, Increase in Crude Production and the Successful Monitoring of Pipeline Vandalization (Oil Theft) have all played their roles in the increase of Revenue Allocation to the Sub-Nationals. Therefore, the State Government will project her Revenue inline with the Federal Government Revenue Projection.

## **3. IMPLEMENTATION OF THE 2023 BUDGET**

### **3.1. 2023 BUDGET PERFORMANCE REVENUE OUT-TURN**

The total appropriated revenue for 2023 Approved Budget as amended stood at N389.371bn which was made up of N44.305bn from Statutory Allocation, N148.000bn from Derivation, VAT N28.158bn, 13% Derivation Refund N36.000bn Independent Revenue (IGR) N20.000bn, Aids & Grants N16.7000bn, and other revenue sources N32.835bn and Capital Development Fund (CDF) Receipt N51.159bn. Total revenue out-turn as at 30<sup>th</sup> June, 2023 was N173.653bn. This consists of Statutory

Allocation N28.094bn, 13% Derivation N55.041bn, VAT N13.439bn, Other Revenue Source N6.592bn, 13% Derivation Refund N22.127 and IGR N9.649bn. The Revenue Performance is lower than the projected half year estimated amount.

### 3.2. 2023 BUDGET PERFORMANCE EXPENDITURE OUT-TURN

Out of the total budget of N389.371bn, Recurrent Expenditure was expected to take N212.797bn while capital expenditure was N176.574bn. As at 30<sup>th</sup> June, 2023. In summary N75.438bn was spent on Recurrent Expenditure and N98.923bn on Capital Expenditure for the period in view.

### 4.1 2024-2026 MEDIUM TERM EXPENDITURE FRAMEWORK(MTEF)

The 2024 – 2026 MTEF and FSP which was endorsed by the Governor will form the bases for the key parameter and assumptions that will be used as projections for 2024-2026 periods as shown in the table below.

Table 1: Key parameters and Assumption for 2024 – 2026

| S/<br>N | DISCRIPTIO<br>N        | 2023           | 2024           | 2025           | 2026           |
|---------|------------------------|----------------|----------------|----------------|----------------|
| 1       | Crude Oil<br>Price     | \$75.00pb      | \$65.00pb      | \$65.00pb      | \$65.00pb      |
| 2       | Production<br>per day  | 1.5000mbp<br>d | 1.6000mbp<br>d | 1.7000mbp<br>d | 1.8000mbp<br>d |
| 3       | Exchange<br>Rate(N/\$) | N750.00/\$     | N750.00/\$     | N750.00/\$     | N750.00/\$     |
| 4       | Inflation<br>Rate      | 22.00%         | 20.00%         | 15.50%         | 15.20%         |
| 5       | Growth<br>Rate         | 3.20%          | 3.00%          | 3.00%          | 3.00%          |
| 6       | Mineral<br>Ratio       | 25%            | 25%            | 30%            | 35%            |

Based on the above, aggregate Revenue is projected below  
**Table 2: Summary of (2024 – 2025) Revenue Projection**  
 Bayelsa State Medium Term Fiscal Framework

| DESCRIPTION   | 2023 ACTUAL | 2023 ACTUAL (RM) / JAN | 2024 (P) (RM)   | 2025 (P) (RM)   | 2026 (P) (RM)    | 2024-2026 ESTIM (RM) |
|---|-------------|------------------------|-----------------|-----------------|------------------|----------------------|
| <b>Operating Expenditure</b>  | 13,79       |                        | 17,000,000,000  | 8,000,000,000   |                  | 25,000,000,000.00    |
| Administrative  | 49.59       | 16,212                 | 56,000,000,000  | 200,000,000,000 | 3,14,238,415,912 | 381,188,186,124.00   |
| MAST  | 13.79       | 24,79                  | 28,000,000,000  | 29,000,000,000  | 38,000,000,000   | 109,000,000,000.00   |
| LRN Incentive   | 192.04      | 82.36                  | 84,000,000,000  | 94,000,000,000  | 94,000,000,000   | 272,000,000,000.00   |
| Capital Expenditure   | 2,385       | 208.35                 |                 |                 |                  |                      |
| State Administration  |             |                        |                 |                 |                  |                      |
| <b>Total Fed. Allocation (A)</b>  | 214,24      | 150,131                | 499,000,000,000 | 238,000,000,000 | 240,233,513,932  | 664,199,354,136.00   |
| <b>Total</b>  | 14,84       | 6,90                   | 23,000,000,000  | 26,000,000,000  | 29,179,949,844   | 78,179,949,844.00    |
| <b>Expenditure</b>  | 14,84       | 6,90                   | 23,000,000,000  | 26,000,000,000  | 29,179,949,844   | 78,179,949,844.00    |
| Administrative Expenditure  | 2,253       | 2,533                  | 4,000,000,000   | 3,700,000,000   | 3,700,000,000    | 11,400,000,000.00    |
| Administrative Expenditure  | 1,391       | 1,391                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| <b>TOTAL REVENUE (A+B+C)</b>  | 214,24      | 150,131                | 698,000,000,000 | 476,000,000,000 | 480,413,463,776  | 1,654,413,463,776.00 |
| <b>EXPENDITURE</b>  | 14,84       | 6,90                   | 23,000,000,000  | 26,000,000,000  | 29,179,949,844   | 78,179,949,844.00    |
| Administrative Expenditure  | 2,253       | 2,533                  | 4,000,000,000   | 3,700,000,000   | 3,700,000,000    | 11,400,000,000.00    |
| Administrative Expenditure  | 1,391       | 1,391                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Capital Expenditure   | 1,192       | 1,192                  | 2,000,000,000   | 2,000,000,000   | 2,000,000,000    | 6,000,000,000.00     |
| Contribution and Subsidies  |             |                        |                 |                 |                  |                      |
| CONTRIBUTIONS AND OTHER FINANCING COST (EXCEPT BANKRUPTCY COSTS AND FINANCIAL ASSISTANCE ETC) |             |                        |                 |                 |                  |                      |
| CONTRIBUTIONS AND OTHER FINANCING COST (EXCEPT BANKRUPTCY COSTS AND FINANCIAL ASSISTANCE ETC) |             |                        |                 |                 |                  |                      |
| CONTRIBUTIONS AND OTHER FINANCING COST (EXCEPT BANKRUPTCY COSTS AND FINANCIAL ASSISTANCE ETC) |             |                        |                 |                 |                  |                      |
| <b>TOTAL RECURRENT EXPENDITURE (D)</b>  | 128,91      | 88,80                  | 195,000,000,000 | 115,000,000,000 | 120,000,000,000  | 430,000,000,000.00   |
| <b>TOTAL RECURRENT EXPENDITURE (D)</b>  | 128,91      | 88,80                  | 195,000,000,000 | 115,000,000,000 | 120,000,000,000  | 430,000,000,000.00   |
| <b>TOTAL RECURRENT EXPENDITURE (D)</b>  | 128,91      | 88,80                  | 195,000,000,000 | 115,000,000,000 | 120,000,000,000  | 430,000,000,000.00   |
| <b>TOTAL RECURRENT EXPENDITURE (D)</b>  | 128,91      | 88,80                  | 195,000,000,000 | 115,000,000,000 | 120,000,000,000  | 430,000,000,000.00   |
| <b>TOTAL RECURRENT EXPENDITURE (D)</b>  | 128,91      | 88,80                  | 195,000,000,000 | 115,000,000,000 | 120,000,000,000  | 430,000,000,000.00   |
| <b>TOTAL EXPENDITURE</b>  | 312,75      | 194,73                 | 716,000,000,000 | 591,000,000,000 | 600,179,893,648  | 1,907,000,000,000.00 |

#### 4.2. STRATEGIC PRIORITIES OF BAYELSA STATE GOVERNMENT FOR 2024 - 2026 MEDIUM TERM PERIOD

The approved priorities to be pursued by the Bayelsa State Government for the 2024-2026 periods are highlighted below. It is important to note that these are the key areas to which sustainable proportion of the capital budget will be allocated to:

- i) Provision of critical infrastructure.
- ii) Diversification of the state Economy.
- iii) Fiscal discipline, Transparency and Accountability.
- iv) Promote policies that will enhance fiscal inclusion of all Bayelsians.
- v) Pursue fiscal policies that will promote the emergence of viable Small and Medium Enterprises in the state.
- vi) Allocation of funds for optimum use and for the achievement of the agenda of the Prosperity Administration.

#### 4.3 THE 2024 BUDGET FRAMEWORK

As required by law, the Annual Budget of the State is based on the MTEF/FSP document. In this case, the 2024 State annual budget draws full strength from the 2024-2026 MTEF/FSP document. Thus, based on the parameters and projections in table 1 above, Aggregate Revenue for 2024 fiscal year is projected at N299,569bn.

TABLE: 3 SUMMARY OF 2024 AGGREGATE REVENUE AND EXPENDITURE

| S/N | DETAILS              | 2024 BN        | % OF TOTAL |
|-----|----------------------|----------------|------------|
|     | <b>REVENUE</b>       |                |            |
| 1   | Opening Balance      | 10,000,000,000 | 3.3        |
| 2   | Statutory allocation | 36,000,000,000 | 12.0       |
| 3   | 13% Derivation       | 84,000,000,000 | 28.0       |
| 4   | VAT                  | 36,000,000,000 | 12.0       |
| 5   | Stamp Duties         | 43,000,000,000 | 14.4       |

|    |                                     |                        |              |
|----|-------------------------------------|------------------------|--------------|
| 6  | IGR                                 | 23,869,070,000         | 8.0          |
| 7  | Aids/Grants                         | 16,700,000,000         | 5.6          |
| 8  | Loans                               | 50,000,000,000         | 16.7         |
|    | <b>Total</b>                        | <b>299,569,070,000</b> | <b>100.0</b> |
|    | <b>EXPENDITURE</b>                  |                        |              |
| 9  | Personal cost                       | 62,404,096,116         | 20.8         |
| 10 | Pensions and Gratuity               | 13,029,815,318         | 4.3          |
| 11 | Contributory Pension Scheme         | 2,400,000,000          | 0.8          |
| 12 | Overhead cost                       | 60,000,000,000         | 20.0         |
| 13 | Grants, Contributions and Subsidies | 12,143,045,060         | 4.1          |
| 14 | 10% Contribution to SUBEB           | 2,500,000,000          | 0.8          |
| 15 | RDAS                                | 170,000,000            | 0.1          |
| 16 | CRFC                                | 1,346,460,935          | 0.4          |
| 17 | Public Debt Services                | 44,245,160,000         | 14.8         |
| 19 | Capital expenditure                 | 96,763,967,942         | 32.3         |
| 20 | PLANNING RESERVE CAPITAL            | 4,566,524,629          | 1.5          |
|    | <b>Total</b>                        | <b>299,569,070,000</b> | <b>100.0</b> |

**5.1 INSTRUCTIONS/GUIDELINES FOR THE PREPARATION OF 2024 BUDGET PROPOSALS**

MDAs should adhere strictly to the following instructions/guidelines in preparing and submitting their 2024-2026 budget proposals.

1. All personnel cost computations which should be based on current rates and staff on ground, should be done on the templates already developed by the State Budget Office. Please all desk officers are to collect the said templates from the Deputy Director's office.

2. As emphasized severally, great care must be observed by the MDAs to ensure that all ongoing projects/initiatives are treated first before considering new ones.
3. All allocated envelopes are for Overhead and Capital spending only.
4. All MDAs must comply fully on National Chart of Account in preparing their Budget.
5. All Revenue Generating MDAs should compute their proposed revenues for the period of 2024-2026 in the budget template.

**NOTE: All MDAs should complete the Capital Budget Description Template accordingly as contained in the Original Budget Preparation Template by enumerating it on the various capital line items to cover the specified amount allocated to the Economic Code.**

E.g

| Economic Code | Description                           | Amount         |
|---------------|---------------------------------------|----------------|
| 23020114      | Construction/Provision of Road        | 50,000,000,000 |
|               | Construction of glory Drive Road      | 500,000,000    |
|               | Construction of Sagbama/Ekeremor Road | 1,000,000,000  |

#### 5.2 OVERHEAD BUDGET

MDAs are advised to follow the Economic Codes of the National Chart of Accounts while budgeting their overhead cost.

**5.3 CAPITAL BUDGET:** In addition to paragraph 5.2 above, all capital projects must fall under one of the programs, as in the previous MTSS document already developed by the MDAs and must prioritize the initiatives in their Capital Budget in order to guarantee funding.

**5.4 COUNTERPART FUNDING:** As usual, for any Counterpart Funding proposal, MDAs must provide detailed information on the programs, the State's

involvement and benefits accruing to the State Budget Office on or before 27<sup>th</sup> October, 2023.

**5.5 INTERNAL REVENUE PROJECTIONS:** The National Chart of Accounts has clearly defined codes for various revenue items. MDAs are therefore enjoined to use the templates already developed by the State Budget Office for such projections. The templates can be collected from the office of the Deputy Director of the State Budget Office.

**5.6 SPENDING CEILINGS FOR 2024 BUDGET:**

The Overhead and Capital Expenditure for 2024, 2025 and 2026 Fiscal Years for \_\_\_\_\_

**OVERHEAD EXPENDITURE**

**CAPITAL EXPENDITURE**

|      |         |         |
|------|---------|---------|
| 2024 | N _____ | N _____ |
| 2025 | N _____ | N _____ |
| 2026 | N _____ | N _____ |

Please remember that the foregoing allocation envelop for Overhead expenditure does not include personnel costs.

6.0 Submissions should reach the State Budget Office not later than **4:00pm on 27<sup>th</sup> October, 2023.**

7. Every envelop holder or Accounting officer should please sign each page of the hard copy of the 2024 budget proposals of his/her MDA.

**NOTE: ALL MDA'S WITH CLIMATE CHANGE EXPENDITURES SHOULD TAG THEIR ACTIVITIES IN THEIR BUDGET PROVISIONS. SECONDLY, THE FOLLOWING MINISTRIES- HEALTH, EDUCATION, WOMEN AFFAIRS, AGRICULTURE AND MINISTRY OF BUDGET SHOULD MAKE BUDGET PROVISION FOR NUTRITION ACTIVITIES.**

  
**SARAH O. ROLAND (FCE)**

For: Director  
State Budget Office.