

# 2025 BUDGET CALL CIRCULAR



**Government of Kano state**  
**MINISTRY OF PLANNING AND BUDGET**  
(Audu Bako Secretariat)  
P.M.B 3291 Kano

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*Ref: MPB/BGT/S/328/V. I/031*

*Date: 31<sup>st</sup> August, 2024*

The Chief of Staff,  
Government House,  
The Permanent Secretary,  
Deputy Governor's office,  
  
The Clerk,  
Kano State House of Assembly,  
  
The Secretary to the State Government,  
Cabinet Office,  
  
The Head of Civil Service,  
Office of the Head of Civil Service,  
All honorable Commissioners,  
  
The Chairman,  
Civil Service Commission,  
  
All Permanent Secretaries,  
  
The Chief Registrars,  
High Court of Justice/Shari'ah Court of Appeal,  
  
The Secretary,  
Judicial Service Commission,  
  
The Auditor General  
State/Local Government Audit,  
  
All Directors General,  
  
All Head of Extra-Ministerial Departments,  
All Chief Executives of Government Owned Companies/Parastatals

## **CALL CIRCULAR FOR THE SUBMISSION OF 2025 BUDGET PROPOSALS**

Adherence to the Principles of Transparency and Accountability in Governance, which is the cardinal objective of the Public Financial Management (PFM) Reform process as well as in compliance with section 10 Sub section (1) of the Public Financial Management Law (2020) that empowers the Ministry to issue appropriate guidelines, directions and instructions to MDAs on Budget Preparation and submission, I have the pleasure to issue call circular containing detailed requirements and expectations on the preparation and submission of the year 2025 budget proposals.

The issuance of this instrument and detailed requirements contained herein signifies the commencement of the year 2025 Budget Process, where MDAs are expected to ensure compliance with the stipulated guidelines and instructions outlined in the succeeding paragraphs of this document.

## 2025 BUDGET CALL CIRCULAR

The purpose of this circular is to request all Government Ministries, Departments and Agencies (MDAs); and other stakeholders to Prepare and submit their Proposed Revenue and Expenditure Estimates for the 2025 fiscal year. The proposal should capture Revenue, Personnel cost (establishments, basic salary, allowances and social Benefits) Non-personnel Services (Overhead Costs) Debt services and Capital Expenditure including Capital Receipts as approved in the work plan.

It is imperative for all Revenue generating MDAs to comply with the existing Medium Term Revenue Strategy (MTRS) that set Medium Term Revenue Target (MTRT) on both statutory taxes, MDAs rates and levies, Capital Receipts as well as estimates of Corporate Social Responsibility shall be treated separately, and prepare effective cost proposal of it as agreed upon or approved in the work plan for the case of draw down. This is to allow adequate budgetary provision and subsequent tracking of performance in the Budget.

It is important also for MDAs to submit all Actuals on Revenue, including Capital Receipts, Expenditure incurred in the previous fiscal year of Jan – Dec 2023 and also Jan – Aug. 2024 period.

Equally, for the Sectors in the State Development Plan (KSDP), MDAs should note that 2025 Budget will be configured using NCoA under the guidance of Nigerian Governor’s Forum Template (NGF) for integration into Budget proposals. While sectors with Medium Term Sector Strategy (MTSS) shall abide by reviewed projects and programs for subsequent integration into their proposals. Further to the foregoing, training and capacity building are expected to hold.

### SECTION II: REVIEW OF 2024 BUDGET PERFORMANCE

The half year performance of 2024 Budget shows that the total actual collection from the Federation Account Allocation Committee (FAAC) which consists of Statutory Allocation, VAT, Electronic Money Transfer (EMTL), Signature Bones, Payment of Goods and Value, Infrastructure development and other FAAC receipts stood at One Hundred and Seventy-Four Billion, Two Hundred and Seventy-Eight Million, Six Hundred and Eighty-Seven Thousand, Seventy-Nine Naira and Forty Three Kobo Only (**N 174,278,687,079.43**) from January to June against Budget Estimate of Two Hundred and Seventy-Seven Billion, Eight Hundred and Five Million, four Hundred and Fifteen Million, Thirty-Four Naira Only (**N277,805,415,034.00**) representing **63%** achievement.

On the Part of Internally Generated Revenue (IGR), the collection is to the tune of Twenty Five Billion, Five Hundred and Seventy-Six Million, Four Hundred and Forty Eight Thousand, Three Hundred and Sixty-Six Naira, Thirty Seven Kobo (**N 25,576,448,366.37**) was collected for the period under review, against the Year approved Budget Target of One Hundred and One Billion, Nine Hundred and Fifty-Six Million, Eight Hundred and Seventy-Four Thousand Five Hundred and forty-One Naira Only (**N101,956,874,541.00**) which indicated **24. %** performance/achievement.

The total Recurrent Revenue (FAAC + IGR) collected for the half year period stood at One Hundred and Ninety Eighty Billion, Eight Hundred and Sixty Million, Two Hundred Thirty-Five Thousand, One Hundred and Forty-Three Naira, Ninety-Six Kobo Only. (**N198,860,235,143.96**) out of the approved Budget Target of Three Hundred and Seventy-Nine Billion, Seven Hundred and Sixty-Two Million, Two Hundred and Eighty-Nine Thousand, Five Hundred and Seventy-Five Naira Only. (**N379,762,289,575.00**) showing **52%** performance.

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The capital receipts Revenue component collection which consist of Aids, Grants and Loan was to the tune of Nineteen Billion, Nine Hundred and Seventy-One Million, Three Hundred Thousand, Eighty-Three Naira Forty-One Kobo Only (**N19,971,300,083.41**) this exclude treasury balance. However, the total approved 2024 capital receipt was stood at Forty-One Billion, Seven Hundred and Sixty-Five Million, Thirty-Seven Thousand, Two Hundred and Twenty-three Naira Only (**N41,765,037,223.00**) which indicated **48%** performance/achievement.

The expenditure is divided into two (2) component Recurrent Expenditure and capital expenditure. on Recurrent expenditure side of the budget is also Sub divided into Personnel Cost, (PC) Overhead Cost (OC) and Other Recurrent cost.

The performance of personnel cost (PC) showed that, the sum of Forty-Two Billion, Seventy-Seven Million, four Hundred and Seventy-Nine Thousand, Nine Hundred and Thirty-Seven Naira, Seventy Kobo Only. (**N42,077,479,937.70**) was expended out of the year Budget Expenditure of Eighty-Seven Billion, Four Hundred and Sixty-Five Million, Eighty Hundred and Twenty-Five Thousand, Two Hundred and Eighty-Seven Naira, Seventy-Five Kobo Only. (**N87,465,825,287.75**) representing 48% Expenditure.

while on the part of Overhead Cost which consist of Public debt service that has the provision of Four Billion six Hundred Million (4,600,000,000) and other non-debt recurrent that has sixty Five Billion, four Hundred and Thirty Seven Million, Three Hundred and Ninety Three Thousand, One Hundred and ninety Five Naira, ninety Seven Kobo (N65,437,393,195.97) the actual record from January to June 2024 was to the tune of Thirty Three Billion, one hundred and fifty Six Million, Four Hundred and forty One Thousand, Four Hundred and Twenty Five Naira, Eighty Two Kobo Only. (**N33,156,441,425.82**) out of this figure the actual debt service was Seven Billion, forty-Nine million, Eight Hundred and Fourteen thousand, one Hundred and Twenty-Seven Naira Ninety-seven kobo (N7,049,814,127.97) **representing 153%**. While the Non-debt recurrent was Twenty-Six Billion, One Hundred and Six Million, Six Hundred and Twenty-Seven Thousand, Two Hundred and Ninety-Seven Naira Eighty-Eight Kobo (N26,106,627,297.88) representing 40% releases to MDAs.

However, on the part of Capital Expenditure the record indicated actual expenditure of Fifty-One Billion, Two Hundred and Forty-Eight Million, Four Thousand Nine Hundred and Twenty-Two Naira Fifty-Three Kobo Only. (**N51,248,004,922.53**) was released for the implementation of programs and projects. When this amount was merged with capital receipt draw down of Nineteen Billion, Nine Hundred and Seventy One Million, Three Hundred Thousand, Eighty Three Naira Forty One Kobo (N19,971,300,083.41) will provide Seventy One Billion, Two hundred and Nineteen Million, Three Hundred and Five Thousand, Five Naira, Ninety four Kobo Only (N71,219,305,005.94) of capital expenditure amount representing 25% against Two Hundred And Seventy Nine Billion, Eight Hundred And Thirty Five Million, Ninety Four Thousand, Three Hundred And Four Naira, Twenty One Kobo Only. (**N279,835,094,304.21**) **approved budget target.**

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The summary is illustrated in table below:

RECURRENT REVENUE	2023 Actual Jan-Dec. (Nbn)	2024 Approved Estimates (Nbn)	2024 Actual Jan-Jun. (Nbn)	2025 Proposed Estimates (Nbn)
<b>Opening Balance</b>	<b>32,170</b>	<b>15,811</b>	<b>29,969</b>	<b>18,000</b>
Statutory Allocation	<b>187,508</b>	277,805	<b>174,279</b>	<b>396,895</b>
Internally Generated Revenue (IGR)	40,169	101,956	<b>25,576</b>	<b>75,000</b>
<b>TOTAL RECURRENT REVENUE</b>	<b>227,677</b>	<b>379,762</b>	<b>199,855</b>	<b>471,895</b>
<b>RECURRENT EXPENDITURE</b>				
Personnel Costs	<b>74,805</b>	87,466	42,077	151,880
Overhead Costs	<b>48,675</b>	70,037	33,156	85,855
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>123,48</b>	<b>157,503</b>	<b>75,233</b>	<b>237,736</b>
<b>Transfer to Capital Dev. Funds</b>	<b>104,197</b>	238,070	124,622	<b>252,159</b>
<b>CAPITAL RECEIPTS</b>	44,521	<b>41,765</b>	<b>19,971</b>	59,265
<b>TOTAL CAPITAL DEVELOPMENT FUNDS</b>	<b>146,540</b>	<b>279,835</b>	<b>144,593</b>	<b>311,424</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>146,540</b>	<b>279,835</b>	<b>144,593</b>	<b>311,424</b>
<b>TOTAL EXPECTED REVENUE</b>	<b>304,368</b>	<b>437,338</b>	<b>249,795</b>	<b>549,160</b>
<b>TOTAL BUDGET ESTIMATES (REC &amp; CAP)</b>	<b>274,399</b>	<b>437,338</b>	<b>219,826</b>	<b>549,160</b>

The Analysis of the half year Performance of the 2024 Approved Budget inform stakeholders that effort has to made consistency to improved collection of domestic revenue in order to maintain 15% deviation of our budget performance report.

Accordingly, Medium Term Expenditure Framework (MTEF) as well as Budget Policy Statement provides bases for forecasting the entire resource profile on basis of present administration priority.

Specifically, the Actual Revenue collection, Actual Expenditure and other macro-economic parameters such as GDP Growth, Inflation rate, Crude Oil Price, Oil Production, Mineral ratio, IGR growth etc. forms the basis of the projection of 2025 resource profile of the State. As it may be clearly observed in the above table, the preliminary Revenue and Expenditure Projection for 2025 is gloomy and point to tight financial year due to the post removal of fuel subsidy, situations of insecurity and other Bi-lateral/ multilateral conflict etc. It is in line with the above development that the Government had come up with some policy statement and objectives to guide the focus and Preparation of the 2025 Budget.

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## FOCUS AND DIRECTION OF THE 2024 BUDGET

### Policy Statements

- Improving quality of basic and post basic education through emergency declaration on education
- Improving quality Health Care Delivery Services
- Improving Skills acquisition through empowerment programs
- Improving Security lives and properties of citizens
- Agriculture and food security
- Water supply and sanitation
- Fight against corruption

### Objective

- Efficient and Effective Public spending through Public Financial Management Law (PFM) 2020
- To continue Synergy and collaboration with various Stakeholders

## SECTION 11: SPECIFIC GUIDELINE FOR SUBMISSION OF THE 2024 BUDGET PROPOSALS

### **REVENUE:**

In view of the current Economic realities in the country and impact of post petroleum subsidy removal, unification of exchange rate and other insecurity challenges on economy, the revenue expectation from both IGR and Federal account transfers as mentioned above has been affected. Base on this, all revenue generating MDAs are to reflect reality projections set on Revenue through separation of Statutory taxes, MDAs rates and levies, capital receipt as well as estimates on corporate social responsibility projects. This will ensure effective realization of revenue growth in the state.

- Proposals on Revenue for 2025 should be clearly based on Realistic Estimate and according to the sources as outlined in the format
- The basis of the Revenue Estimates should be clearly stated.
- Equally all Revenue Target set should be Realistic and Achievable.
- A detailed appropriate designed action plan and other strategies should be put in place by each MDA with a view of improving Revenue Generation.

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### BUDGET CEILINGS

In line with section 10, sub- section 1 (10:1) of the Public Financial Management Law 2020, Budget ceilings are allocated for each sectors/MDAs that will guide the consolidation of Budget estimates subject to the approval of the State Executive Council. Therefore, all sectors/MDAs should work within the limit of discretionary and non-discretionary funds provided for both Recurrent and Capital Expenditure that should not exceed the ceilings provided.

### RECURRENT EXPENDITURE

#### Personnel Cost

Proposals on Personnel cost under Recurrent Expenditure should be in conformity with all instructions and Policy guidelines issued by Office of the Head of Civil Service. Therefore, as usual, Personnel cost ceilings are expressed in terms of establishment positions Approved by the Office of the Head of Civil Service and should not exceed the ceiling made available for each Sector /MDA.

#### Overhead Cost

All proposals in this respect shall be based on the current Budget ceilings provided in this circular being implemented by the Ministry of Finance through its monthly releases to MDAs, standing Order payment should carefully be addressed when making proposal against each project/program Equally, special expenditures shall be integrated with Budget proposal as there is need for its separate report at the end of each quarter for the purpose of Principles of Prudence, Transparency and Accountability of Public spending.

#### Capital Expenditure Proposal

As you are fully aware, the present Administration reintroduce so many Capital projects that improved the wellbeing of Kano citizens. Priority attention was also given to the post Covid-19 projects, social protection programs, Climate change and other projects in order to restore the economy.

**It is important for MDAs to** undertake a detailed prioritization of the projects and ensure that ceilings provided are strictly allocated to critical projects and new ones introduced and reintroduced by the present administration. Submissions on capital projects should be categorized into *A and B* as follows: -

- Category A projects – critical Ongoing Projects
- Category B projects – New projects/ Reintroduce by present administration

MDAs are therefore required to use the relevant formats for each category while drawing their 2025 proposals. Equally, National Charts of Account (NCOA) template on 52-digit Budget Classification (BC) and Chart of account (CoA) will be provided for subsequent Presentation to the State House of Assembly followed by capacity building to strengthen your knowledge in completing the format/Template.

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### Medium Term Sector Strategy (MTSS)

The main objective of the MTSS is to provide a robust framework for linking policy, planning and Budget across government. By now most MDAs are familiar with the reform imperatives as well as processes being followed to prepare MTSS.

The Present Administration is committed to adopt the MTSS/MTEF as a planning tool to provide the required framework for implementing programmes/projects over the medium term. Equally, the government is consistently examining the potential programmes/projects as well as activities which will largely involve around 11 Development Sectors as listed below:

1. Education
2. Health
3. Agriculture
4. Infrastructure Development
5. Manufacturing, Commerce, Industry and Tourism
6. Environment and Sanitation
7. Governance Institutions
8. Security, Justice and Emergency Services
9. Water Supply and Rural Development
10. Transport Development
11. Women, Youth and People with Special Needs

It is envisaged that all the 11 sectors enumerated above will eventually be subjected to an MTSS process. Already the MTSS for nine (9) sectors had been developed, in order to link with 52 digits BC & CoA and 2025 budget.

Therefore, all MDAs under Education, Health, Agriculture, Infrastructure development, Manufacturing, Commerce, Industry and Tourism, Environment and Sanitation, water supply and rural development, transport as well as Women, Youth and People with Special Needs sectors should tailor their Budget proposals in line with their MTSS developed and Review some project/program that are likely more deliverables to the agencies and ceilings allocated.

**Note that:** All Social sector MDAs are hereby requested to include nutrition and social protection related interventions into their 2025 Budget proposal.

Accordingly, Subsequent changes in the MTSS document should be attached with proposal for integration if desk review or sector consultative engagement are carried out

### Projects with Counterpart Funding Requirement

All Executing, Agencies implementing projects and programmes with counterpart funding are required to provide us with actual draw down from Jan. - Dec 2023 and Jan. – Aug. 2024 as well as expected funds for the 2025. This will ensure that such projects/programmes are adequately catered for.

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### **Deadline for the Submission of Proposals (On or before 2<sup>nd</sup> September, 2024)**

It is important for all the MDAs to note the intention of the government is to present the 2025 Proposed Budget to the State House of Assembly as early as possible, especially considering the time limit for the state House of Assembly members to Pass the Budget. Therefore, in order to ensure a hitch free take-off of the 2025 budget exercise in line with Government approved calendar, I must request you to submit **your budget proposals officially to this Ministry** in soft and five (5) hard copies **on or before 2<sup>nd</sup> September, 2024**.

The Time-Table for subsequent bilateral budget discussions with MDAs will be conveyed in due course. You should however note that the discussions are expected to commence after submission of your budget proposal.

Sectors and MDAs should please note that, the Ministry Budget Support Team is available for each sector that requires technical support and assistance.

Attached with this call circular are the following: Budget Reporting Template and sector ceilings in soft & hard copies for your usage.

It is equally important to note that, Town Hall Meeting will be hold for collecting citizens' demand, MDAs should work with CSOs/NGOs/communities in preparing their sector budget in order to enrich their proposals with community and citizen Demand generated as a result of Town hall meetings.

Finally, I wish to reiterate that organizations should feel free to contact this Ministry for any enquiry or further explanation regarding the content of this circular, please.

Best regards.



Hon. Musa Suleiman Shanono  
Commissioner



## 2025 BUDGET CALL CIRCULAR

### Kano State Expenditure by Sector 2025 Budget Ceiling

No.	Sector	%	Personnel cost	%	Overhead Cost	%	Capital	%	Grand Total
1	AGRICULTURE	2.73%	4,144,062,122	2.53%	2,173,207,641	5.03%	15,669,871,483	4.00%	21,987,141,246
2	GOVERNANCE INSTITUTIONS	13.09%	19,876,947,571	30.69%	26,352,525,570	5.22%	16,244,459,814	11.38%	62,473,932,955
3	MANUFACTURING, INDUSTRIES, COMMERCE & TOURISM	0.67%	1,010,058,315	0.87%	745,957,417	0.48%	1,486,589,583	0.59%	3,242,605,315
4	ENVIRONMENT & SANITATION	1.15%	1,748,891,743	0.65%	558,671,079	1.93%	6,025,877,950	1.52%	8,333,440,773
5	EDUCATION	48.28%	73,325,050,752	6.76%	5,800,349,979	27.49%	85,600,478,236	30.00%	164,725,878,966
6	HEALTH	22.01%	33,421,844,266	6.99%	5,997,422,304	17.33%	53,976,035,586	17.01%	93,395,302,156
7	INFRASTRUCTURE	1.54%	2,334,681,506	1.33%	1,140,275,856	24.71%	76,965,292,676	14.65%	80,440,250,038
8	WATER	1.31%	1,987,388,339	0.49%	422,400,066	7.35%	22,876,698,813	4.60%	25,286,487,218
9	TRANSPORT	1.64%	2,495,383,678	0.63%	541,967,088	2.52%	7,838,072,827	1.98%	10,875,423,594
10	WOMEN, YOUTH & PEOPLE WITH SPECIAL NEEDS	0.87%	1,328,405,133	24.19%	20,770,908,482	1.40%	4,358,398,724	4.82%	26,457,712,339
11	SECURITY, JUSTICE & EMERGENCY	6.72%	10,207,679,388	3.04%	2,606,540,059	2.14%	6,664,208,633	3.55%	19,478,428,080
	Public Debt Service			14.76%	12,674,229,120			2.31%	12,674,229,120
	Recurrent Contingencies			7.07%	6,071,355,472			1.11%	6,071,355,472
	Capital Planning Reserve					2.75%	8,573,880,266	1.56%	8,573,880,266
	Climate Response Reserve					1.65%	5,144,328,160	0.94%	5,144,328,160
	<b>Total</b>	<b>100%</b>	<b>151,880,392,813</b>	<b>100%</b>	<b>85,855,810,133</b>	<b>100%</b>	<b>311,424,214,717</b>	<b>100%</b>	<b>549,160,395,697</b>