

GOVERNMENT OF AKWA IBOM STATE OF NIGERIA



**2023 CAPITAL BUDGET
CALL CIRCULAR
MED/S/13/S.4/VOL.23/429**

"Inclusiveness and Accountability"

**MINISTRY OF ECONOMIC DEVELOPMENT, UYO
AKWA IBOM STATE**

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2023 CAPITAL BUDGET – CALL CIRCULAR

INTRODUCTION

Capital Budget Preparation is a core function of the Ministry of Economic Development and this constitutes the fulcrum of State Economic Policy Formulation and Planning. In carrying out this function, the Ministry seeks to establish the general framework for economic development process of Akwa Ibom State as it coordinates the Capital Budgeting Functions of all Ministries, Departments and Agencies (MDAs) in the State.

We anticipate a larger Capital Budget Outlay in 2023 to take care of the completion of both the new and ongoing projects before the end of this administration in May, 2023. Besides, government will need to step up Public Expenditure in 2023 to contend Global Economic Uncertainties arising from the resurgence of Covid-19 pandemic, increasing food prices, cost of living crisis, prismatic changes in Exchange Rates, stagflation and climate change. To protect our Domestic Industries and Enterprises, it will be necessary to initiate deliberate actions of government to improve household spending and consumption.

- 1.2 As part of the State Budgetary process, MDAs are advised to consult widely with the citizens at Ward and LGAs levels in obtaining inputs into the 2023 Capital Budget. In addition, the Ministry of Economic Development will

conduct a State-Level Stakeholders meeting to obtain inputs from a cross section of citizens and other stakeholders for 2023 Capital Budget.

Furthermore, each and every MDAs will be expected to appear before the State's Citizens' Budget Committee at the Ministry of Economic Development to lay its 2023 Capital Budget proposal for scrutiny and further actions.

- 1.3 Capital Budget Preparation for MDAs should take into consideration strategic policies of government derived from the Medium Term Sector Strategies (MTSS); and various Exco decisions already earmarked for implementation. For avoidance of doubt, the year 2023 Capital Budget is the last Capital Budget of the present Administration, consequently, all MDAs are advised to include all ongoing projects initiated by the present Administration before considering new project ideas. 2023 Capital Budget will focus on the 8-Point Completion Agenda of the present Administration, hence all necessary measures and tactics must be deployed to complete projects and programmes already started by the present Administration in the following areas, viz: (i) Industrialization (ii) Small and Medium Scale Enterprises (iii) Aviation Development (iv) Infrastructure Consolidation and Expansion (v) Security of Human Lives and Livelihoods (vi) Rural and Riverine Area Development (vii) Agriculture and (viii) Human Capacity Development.
- 1.4 MDAs are further advised to link about 80% of their projects/programmes in their proposals to the 8-Point Completion Agenda and the 17 goals of the Sustainable Development Goals (SDGs). Government will continue to pursue the attainment of sustainable Development Goals (SDGs) and the achievement of its 169 targets in the course of implementing the year 2023 Capital Budget of the State.
- 2.1 All programmes/projects mitigating the adverse effect of climate should be tagged in MDAs proposals. Also, adequate commitment must be shown in the 2023 budget to ensure that the State becomes Climate Change-Resilient in the next 3 years. Relevant MDAs should ensure that there is

adequate budget provision for women in agriculture, gender equality, the physically challenged and other vulnerable groups in our society. The Ministry of Health and affiliate agencies should fortify efforts under emergency preparedness and provide adequately to protect the State against the resurgence to COVID-19 pandemic, Ebola Virus, Lassa fever, the outbreak of Monkey pox and other notifiable diseases that constitute public health emergencies.

- 2.2 In addition, the state Fire Service Department should budget adequately for Fire-Fighting equipment to ensure safety of human lives and properties in the event of fire out-break in the state.
- 2.3 However, due to uncertainties surrounding sources of Revenue for 2023 budget implementation, MDAs will need to cover their activities through External Financing where possible and only those activities without external financing should be proposed for Treasury Financing with all supporting document in place.

Due to the plausibility of the Zero Based Budgeting System (ZBBS), the 2023 Capital Budget preparation will continue to explore and utilize the desirable elements of the ZBBS. Zero Based Budgeting System (ZBBS) is a systematically planned budget with programmed packages of well selected priorities from the alternatives and ranked optimally for implementation from time zero. This entails a systematic review and incorporation of existing programmes with new ones, together of which are analyzed in the light of all possible alternatives and cost for choice of priorities. The ZBB justifies individual resource allocation plans, regardless of prior year's provision and discourages the practices of regular incremental budget adjustments; thus, each programme/project is to be carefully scrutinized before resources are allocated to achieve resource optimization. This system places emphasis on the actual needs taking into consideration the available resources. Accordingly, all MDAs are to carefully scrutinize and justify their programmes/projects for which resources are to be allocated

In line with the immediate needs of the State encapsulated in the B-Point Completion Agenda of the present administration.

2.4 All projects and programmes brought into the 2023 budget must be geared towards achieving the following objectives:

- 1) Shield the State's economy against both external and domestic shocks by stimulating the State's economy and create opportunities for gainful employment of its citizenry through Industrialization, Agriculture including Air and Sea infrastructure.
- 2) Sustained increase growth through Rapid Industrialization and Job Creating infrastructural investments in Roads, Sports, Tourism, Solar power, Communication technologies, Aviation and Sea infrastructure.
- 3) Continued support for Small and Medium Scale Enterprises (SMEs) as the engine of our economy to encourage local capability in manufacturing and the use of our locally made products for domestic use and exports.
- 4) Create jobs using labor intensive methods in key areas such as Agriculture, Housing, Inter-ministerial and Ministerial Direct Labor intervening, etc.
- 5) Amelioration of poverty to extend maximum coverage to the poor and other vulnerable groups in our society including women, and people living with disabilities through pro-poor spending.
- 6) Economy Diversification to create more wealth, sustainable employment and food sufficiency.
- 7) Health and environmental safety to maintain a healthy population and also mitigate the adverse effect of climate change.
- 8) Pursue morally, culturally and technologically- based education to ensure that our human capital competes with their counterparts in other parts of the world.

3.1 **Key Macroeconomic Assumptions**

For purpose of guidance, below are some key Macroeconomic assumptions. The Assumptions provide an insight to the expected government revenue for the year 2023 and beyond.

3.2 **Table I: Key Macroeconomic Assumptions**

DESCRIPTION	2021	*2022	2023	2024	2025
Oil Price Benchmark (US\$/b)	68.21	132.6	75.0	68.0	60.0
Oil Production (mbpd)	1.72	1.50	1.60	1.70	1.8
Exchange Rate (N/\$)	410	415	415	415	415
Inflation (%)	18.12	16.4	13.1	12.7	12.3
Non-Oil GDP (N'bn)	166,734.3	134,154.5	139,304.9	-	-
Oil GDP (N'bn)	16,994.9	12,640.0	12,159.5	-	-
Nominal GDP (N'bn)	183,729.2	146,072.8	150,497.7	-	-
GDP Growth Rate (%)	0.51	4.68	3.86	-	3.0
Nominal consumption (N'bn)	118,887.3	120,835.4	125,157.3	-	-

Source: NBS, CBN, NNPC---*please note that the assumptions can change*

* = Actual Figures as at 31st May, 2022 – compiled by Directorate of Economic Planning (MED)

4.1 **Admissible Capital Projects**

Only expenditures on programmes/projects that truly are of a capital-nature will be admitted into MDAs capital budget proposals. Except where absolutely critical to the functioning of respective MDAs, proposals such as expenditure on vehicles, furnishing, purchase of office furnitures or residential buildings and equipping of non-critical offices will not be accommodated in the 2023 Capital Budget. For avoidance of doubt, MDAs are reminded to consult **GIFMIS** Line Items List I & II and abide by it strictly in the course of preparing 2023 Capital Budget. Accordingly, Capital Expenditure items that are of recurrent nature should be captured under **reserve vote** in Annexure S.IX.

4.2 **Projects funded by Multi-lateral/Bi-lateral Loans/Aids/Grants**

The full cost of projects funded by specific Loans/Grants provided by multilateral/bilateral sources will henceforth be captured in details in the Capital Budget. Hitherto, MDAs are to reflect the counterpart funding component in their budgets, where applicable. They will now be required to include the total project cost indicating the respective amounts of counterpart funding and loan drawdown. Information relating to such projects should be provided using Annexure S.VI.

4.3 **Bilateral Budget Discussions**

Upon submission of MDAs' proposals, they would be reviewed for compliance with this Circular, and other relevant guidelines. Subsequently, bilateral meetings are scheduled for MDAs as per the attached timetable.

The objective is to critically evaluate the submissions and finalize MDAs' 2023 budgets. Please note that all Ministries are required to come along to bi-lateral discussions with relevant officials of all the agencies under their supervision including the officers that are directly involved in the preparation of their Budgets. Each MDA is to be led to the bilateral meetings by its Chief Executive and/or Accounting Officer.

4.4 **Budget Ceiling**

Considering the uncertainties surrounding expected statutory allocation to the State in the year 2023 (*see Macroeconomic Assumptions*), MDAs are advised not to exceed their approved 2023 Capital Budget ceiling in the 2022 – 2024 MTEF & FSP. The MDAs final submissions will be adjusted in line with the budget provisions in the 2023 – 2025 MTEF & FSP.

*2022 – 2024 MTEF Ceilings for MDAs **attached**. *Please note that, MDAs should compute percentage of their capital Budget from the attached*

5.1 **Budget Transparency & Accountability**

Further to the Open Government Partnership principles endorsed by Akwa Ibom State Government, MDAs can also download 2023 Capital Budget - Call Circular on the website of the Ministry. Please check the foot notes of this circular for online contacts and download.

5.2 **Budget Submission**

The Chief Executive/Accounting Officers must endorse hard copies of their budget submissions, attesting to their correctness and compliance with this circular using the format in Annexure A1.

The following formats have been attached to enhance the proper and accurate submission of your data and project proposal:

- (a) **Annex A.1** – Certification
- (b) **Annex S. I** – Review of performance of 2021 Capital Budget (July – Dec.)
- (c) **Annex S. II** – Review of performance of 2022 Capital Budget (Jan – June)
- (d) **Annex S.III** – 2022 Annual Progress Report
- (e) **Annex S.IV** – 2023 Prioritized Programmes/Projects Profile
- (f) **Annex S.V** – 2023 Proposed Capital Estimates (IPSAS –BASED)
- (g) **Annex S.VI** – Project with External Finance Components
- (h) **Annex S.VII** – Programmes Summary 2023 – 2025

- (i) **Annex S.VIII** – Revenue Profile (All revenue generating MDAs are expected to give updated figures, please)
- (j) **Annex S.IX** – Reserved Vote Items.

Please ensure that information provided is accurate, clearly stated and supported with relevant documents such as pro-forma invoices, Bill of quantity (BOQs) from reputable sources, Bilateral, & Multi-lateral agreements, memorandum of understanding (MoU), etc. as well as a well-articulated **policy thrust**.

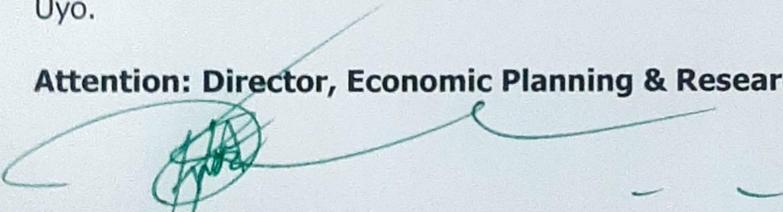
Partially filled or blank annexures **will not be accepted**. All submissions in annexure S.I to S.IX must be returned in twelve (12) identical sets in hard copies and soft copies in a flash drive, on or before close of work on **18th July, 2022**. Please zip your submissions if they are too bulky, otherwise attach each annexure separately.

The bilateral discussions on the 2023 state Capital Estimates will begin on Monday 18th July, 2022. All COVID-19 precautionary rules will be applied during the bilateral discussions. Attached is the timetable for your guidance.

There will be no shift in the date and time schedule, please.
Kindly address all your submissions to:

The Hon. Commissioner
Ministry of Economic Development
Block 3, Phase 2
2nd Floor, State Secretariat Complex
Uyo.

Attention: Director, Economic Planning & Research



Mr. Emem Almond Bob
Hon. Commissioner



Annexure "A.1"

CERTIFICATION

(INSERT NAME OF MDA)

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RE: 2023 CAPITAL BUDGET PROPOSAL SUBMISSION

We the undersigned, being the Honourable Commissioner/Chief Executive and Accounting Officer of (insert name of MDA) hereby certify that the information and data contained in our 2023 Capital Budget submission to the Ministry of Economic Development have been validated and prepared in accordance with the 2023 Capital Budget call Circular.

Sign:

.....
Hon. Commissioner/Chief Executive

.....
Accounting Officer

Date:.....

Date:.....



GOVERNMENT OF AKWA IBOM STATE OF NIGERIA

ANNEX 3.1

REVIEW OF PERFORMANCE OF 2021 CAPITAL EXPENDITURE

MINISTRY/DEPARTMENT/AGENCY:

SUB-HEAD	TITLE OF PROGRAMME/ PROJECT	APPROVED PROVISION 2021 (N'000)	ACTUAL EXPENDITURE FROM JAN - DEC., 2021 (N'000)	OUTSTANDING LIABILITIES/ CERTIFIED IPCS AS AT DEC., 2021 (N'000)	TOTAL EXPENDITURES INCLUDING LIABILITIES AS AT DEC., 2021 (N'000)	BALANCE (N'000)	REMARKS
TOTAL							



GOVERNMENT OF AKWA IBOM STATE OF NIGERIA

ANNEX S. IX

**ITEMS REMOVED FROM CAPITAL ESTIMATES TO RECURRENT
ESTIMATES FOR INCLUSION AS RESERVED ITEMS
(VOTES) IN THE RECURRENT ESTIMATES**

MINISTRY/DEPARTMENT/AGENCY:

S/N	DESCRIPTION	ECONOMIC CODE AS IN 2023	2023 ESTIMATES PROVISION	REMARKS
TOTAL				



MINISTRY OF ECONOMIC DEVELOPMENT
TIME TABLE FOR 2023 CAPITAL BUDGET BILATERAL DISCUSSION
VENUE: CONFERENCE ROOM

S/N	MINISTRY/DEPARTMENT/AGENCY	DATE	TIME
Day 1			
1	Ministry of Information	Monday 18 th July, 2022	10.00am – 4.00pm
2	Akwa Ibom State Life Enhancement	Monday 18 th July, 2022	10.00am – 4.00pm
3	State Agency for Control of AIDs	Monday 18 th July, 2022	10.00am – 4.00pm
4	Office of the Auditor General (Local Government)	Monday 18 th July, 2022	10.00am – 4.00pm
5	EARCOM	Monday 18 th July, 2022	10.00am – 4.00pm
6	State Auditor General	Monday 18 th July, 2022	10.00am – 4.00pm
7	Akwa Ibom State Fiscal Responsibility Board	Monday 18 th July, 2022	10.00am – 4.00pm
Day 2			
8	Ministry of Education - AKS College of Education, Afaha Nsit - AKS College of Science & Technology, Ikono - AKS University - AKS Polytechnic, Ikot Osurua	Tuesday 19 th July, 2022	10.00am – 4.00pm
9	State Secondary Education Board	Tuesday 19 th July, 2022	10.00am – 4.00pm
10	State Technical School Board	Tuesday 19 th July, 2022	10.00am – 4.00pm
11	State Universal basic Education Board	Tuesday 19 th July, 2022	10.00am – 4.00pm
12	Ministry of Local Government & Chieftaincy Affairs	Tuesday 19 th July, 2022	10.00am – 4.00pm
Day 3			
13	Ministry of Women Affairs	Wednesday 20 th July, 2022	10.00am – 4.00pm
14	Ministry of Health	Wednesday 20 th July, 2022	10.00am – 4.00pm
15	Hospital Management Board	Wednesday 20 th July, 2022	10.00am – 4.00pm
16	Liaison Office Abuja/Lagos	Wednesday 20 th July, 2022	10.00am – 4.00pm

17	Government House/Christian Pilgrim Board	Wednesday 20 th July, 2022	10.00am – 4.00pm
18	Primary Healthcare Development Agency	Wednesday 20 th July, 2022	10.00am – 4.00pm
19	Bureau of Public Procurement	Wednesday 20 th July, 2022	10.00am – 4.00pm
Day 4			
20	Ministry of Special Duties	Thursday 21 st July, 2022	10.00am – 4.00pm
21	House of Assembly Service Commission	Thursday 21 st July, 2022	10.00am – 4.00pm
22	Office of the Deputy Governor	Thursday 21 st July, 2022	10.00am – 4.00pm
23	Bureau of Political & Re-orientation	Thursday 21 st July, 2022	10.00am – 4.00pm
24	Special Service Department	Thursday 21 st July, 2022	10.00am – 4.00pm
25	Ministry of Science & Technology	Thursday 21 st July, 2022	10.00am – 4.00pm
26	AKICORP	Thursday 21 st July, 2022	10.00am – 4.00pm
Day 5			
27	Ministry of Housing	Friday 22 nd July, 2022	
28	Civil Service Commission	Friday 22 nd July, 2022	10.00am – 4.00pm
29	Ministry of lands & Water Resources	Friday 22 nd July, 2022	10.00am – 4.00pm
30	Land Used Allocation	Friday 22 nd July, 2022	10.00am – 4.00pm
31	Uyo Capital City Development Authority	Friday 22 nd July, 2022	10.00am – 4.00pm
32	Ministry of Transport/AKUTAN	Friday 22 nd July, 2022	10.00am – 4.00pm
33	Office of the Surveyor General	Friday 22 nd July, 2022	10.00am – 4.00pm
Day 6			
34	Office of the head of Service	Monday 25 th July, 2022	10.00am – 4.00pm
35	General Service Office	Monday 25 th July, 2022	10.00am – 4.00pm
36	Department of Establishment	Monday 25 th July, 2022	10.00am – 4.00pm

37	Ministry of Works & Fire Services	Monday 25 th July, 2022	10.00am – 4.00pm
38	Ministry of Power & Petroleum Development	Monday 25 th July, 2022	10.00am – 4.00pm
39	Ministry of Trade & Investment	Monday 25 th July, 2022	10.00am – 4.00pm
40	AKS Road Maintenance & other Infrac. Agency	Monday 25 th July, 2022	10.00am – 4.00pm
Day 7			
41	Ministry of Labour & manpower Planning	Tuesday 26 th July, 2022	10.00am – 4.00pm
42	Ministry of Finance	Tuesday 26 th July, 2022	10.00am – 4.00pm
43	State Budget Office	Tuesday 26 th July, 2022	10.00am – 4.00pm
44	Office of the Accountant General	Tuesday 26 th July, 2022	10.00am – 4.00pm
45	Ministry of Culture & Tourism	Tuesday 26 th July, 2022	10.00am – 4.00pm
46	AKS Tourism Board	Tuesday 26 th July, 2022	10.00am – 4.00pm
47	AKS Internal Revenue Services	Tuesday 26 th July, 2022	10.00am – 4.00pm
Day 8			
48	Ministry of Justices/center for Alternative Dispute	Wednesday 28 th July, 2022	10.00am – 4.00pm
49	Akwa Ibom State House of Assemble	Wednesday 28 th July, 2022	10.00am – 4.00pm
50	AKS Independent Electoral Commission	Wednesday 28 th July, 2022	10.00am – 4.00pm
51	Ministry of Agriculture	Wednesday 28 th July, 2022	10.00am – 4.00pm
52	AKS Judiciary	Wednesday 28 th July, 2022	10.00am – 4.00pm
53	Judiciary Service Commission	Wednesday 28 th July, 2022	10.00am – 4.00pm
54	Law Reform Commission	Wednesday 28 th July, 2022	10.00am – 4.00pm
Day 9			
55	Ministry of Youth & Sports	Thursday 28 th July, 2022	10.00am – 4.00pm
56	Ministry of Environment & Solid Minerals	Thursday 28 th July, 2022	10.00am – 4.00pm

57	Local Government Service Commission	Thursday 28 th July, 2022	10.00am – 4.00pm
58	Local Government Pension Board	Thursday 28 th July, 2022	10.00am – 4.00pm
59	AKS Environmental Protection & Waste Mgt. Agency	Thursday 28 th July, 2022	10.00am – 4.00pm
60	Audit Service Commission	Thursday 28 th July, 2022	10.00am – 4.00pm
Day 10			
61	Ministry of Economic Development	Friday 29 th July, 2022	10.00am – 4.00pm
62	Ministry of Rural development & Cooperative	Friday 29 th July, 2022	10.00am – 4.00pm
63	Office of the Secretary to the State Government	Friday 29 th July, 2022	10.00am – 4.00pm
64	AK-RUWANSAN	Friday 29 th July, 2022	10.00am – 4.00pm
65	AKS Water Company	Friday 29 th July, 2022	10.00am – 4.00pm
66	AKS Debt Management Agency	Friday 29 th July, 2022	10.00am – 4.00pm
DAY 11			
67	Review of Re-submission	Monday 1 st - 8 th Aug., 2022	10.00am – 4.00pm