BUDGET OFFICE OF THE FEDERATION

Office of the Director General

FEDERAL MINISTRY OF BUDGET AND ECONOMIC PLANNING

BD/2000/EXP/S.11586 **July16, 2025**

Chief of Staff to the President

Deputy Chief of Staff to the President, Office of the Vice President

Honourable Ministers/Ministers of State

Secretary to the Government of the Federation

Head of the Civil Service of the Federation

Chairmen of Commissions

Permanent Secretaries

Service Chiefs/Inspector-General of Police

Auditor-General for the Federation

Accountant General of the Federation

Heads of Extra-Ministerial Departments/Directors- General/Chief Executive

Officers of Parastatals and Agencies

2025 APPROPRIATION ACT IMPLEMENTATION GUIDELINE

1 INTRODUCTION

1.1 The 2025 Appropriation Act Implementation Guideline is issued pursuant to Mr. President's efforts to ensure quick economic recovery, stability and return to the path of sustainable growth. All Ministries, Departments and Agencies (MDAs) are advised to strictly adhere to this guideline. Chief Executive Officers and Accounting Officers are to take responsibility to ensure compliance herewith and will accordingly be held to account. The Federal Government is issuing this Guideline to guide all Ministries, Departments, and Agencies (MDAs) in the revalidation and reprioritisation of their FY2025 capital budget execution, in view of evolving fiscal conditions and the need to optimise the utilisation of available resources.

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2. EXPENDITURE PLANS

2.1 MDAs are advised to **immediately commence procurement planning for the 2025 Appropriation Act (in tandem with sections of this guideline particularly sections 3 and 5)**. Further to Mr. President's ascent to the 2025 budget, MDAs are reminded of the government's determination to sustain the January - December fiscal calendar, thereby having no reason to extend the Capital Budget Implementation at the end of December 2025.

2.2 Implementation of the Bottom-Up Cash Management in Capital releases to MDAs will be sustained and consolidated under the 2025 Appropriation Act. All MDAs are requested to submit their monthly Expenditure Plans for the full year to the Budget Office of the Federation (BOF) and the Office of Accountant-General of the Federation (OAGF) by July 31, 2025, which will guide cash planning. The MDAs' Expenditure Plans must indicate the GPS coordinates for all capital projects of ₦150 million and above, in accordance with paragraph 4.5.1 of the 2025 Budget Call Circular *(Ref: BD/2000/EXP/S.800/I/3/50)*. The Director General of Budget must sign off on each MDAs' expenditure plan to ensure alignment with the 2025 Appropriation Act and the government's immediate priorities.

3 CASH PLAN

3.1 The disbursement of funds to MDAs will be derived from their annual expenditure plans. In accordance with Part V S.25 of the Fiscal Responsibility Act [FRA], 2007, the OAGF will prepare a monthly FGN Cash Plan covering the entire 2025 fiscal year. The consolidated Cash Plan must be signed off by the Honourable Minister of Finance & Coordinating Minister of the Economy (HMF/CME), after which the MDAs can then proceed with implementing procurement for the year. It is, therefore, imperative that MDAs expedite the preparation of their Expenditure Plans, which will form the basis of the Cash Plan.

3.2 The Cash Plan will be subjected to a monthly review by the Cash Management Committee of the FGN and adjusted as and when necessary, based on the realization of the monthly budgeted inflows from Federation and Non-Federation revenues. In addition, breaches to the Appropriation Act, including unauthorized/unapproved deductions from the Federation or Non-Federation revenues or other accounting practices contrived to reduce remittances to the Treasury, will no longer be tolerated.

4 TREASURY SINGLE ACCOUNT [TSA]

4.1 All MDAs are reminded to ensure full compliance with the FGN's policy on the TSA. Specifically, MDAs that are authorized to retain a portion of their Internally Generated Revenues [IGR] are to ensure that they stay within the approved limit in accessing funds in their sub-accounts. Any case of non-compliance will be appropriately sanctioned.

5 CAPITAL EXPENDITURE RELEASES

5.1 Reprioritisation Categories

MDAs must classify their FY2025 capital projects into the following strategic prioritisation bands (see Annexure I for general guide):

Category A: Core National and Strategic Priorities

- Legally committed counterpart and donor-funded projects.
- Interventions in security, health, education, food security, and social welfare.
- Sustainable or green projects (including those that qualify for greenbond financing)
- Legacy and nationally visible projects nearing completion or critical milestones.
- Projects directly linked to fiscal reform efforts (e.g., subsidy reform, tax administration, revenue efficiency).

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Category B: Developmental but Deferrable Projects

- Medium-term growth enablers that may be postponed without major disruption.
- Capacity-building, institutional reforms, and innovation pilots.
- Regionally significant projects with manageable risks under delay.

Category C: Non-Critical, Untimely, or Non-Ready Projects

- New proposals lacking feasibility clearance or procurement readiness.
- Projects not aligned with national priorities or lacking inter-MDA synergies.
- Initiatives that are unlikely to achieve meaningful execution within the fiscal year.

Note: MDAs are requested to complete Annexures I-III as attached

5.2 Submission Requirements

All MDAs must complete and submit the attached Capital Expenditure Prioritisation Template (Annexures I-III) to the Budget Office of the Federation within two weeks from the date of issue of this guideline. Each MDA submission must:

- List and rank all capital projects by priority and execution readiness.
- Assign each project to a category (A, B, or C) with clear justification.
- Provide estimated quarterly cash flow needs per project (Q3 & Q4).
- Identify implementation risks and associated mitigation measures.

5.3 The MDAs' compliance with the above and its subsequent uploaded legal and financial commitments will determine the Capital fund to be released to them in line with the **Bottom-Up Cash Plan.** Subject to the available financial resources, all uploaded legal and financial commitments by MDAs per cleared category A should be funded accordingly in the first instance and then the other categories as funding requirements are cleared. The Budget Office will validate all submissions for alignment with national priorities and fiscal realism. Non-compliance or incomplete submissions may result in release delays or forfeiture. MDAs will be required to submit quarterly progress updates covering:

- Physical implementation milestones
- Financial disbursement performance
- Outcome indicators

5.4 Releases under multilateral /bilateral project-tied capital loans will, however, be based on expenditure plans agreed with the lending institutions. Also, all MDAs with multilateral and bilateral loans and grants (including donations) must report to the Director General of the Budget Office for how long they have been unable to meet the drawdown conditions and accordingly advise the HMF/CME or the HMBEP (as the case may be) to take steps to cancel the underlying facility or to take other actions to meet the drawdown conditions. Steps should be taken to exit from facilities that are not performing or have remained undrawn for more than 12 months.

5.5 MONTHLY BUDGET PERFORMANCE REPORTS

MDAs are required to submit a monthly Budget Performance Report to the BOF using the format in Annexure III to this guideline not later than the 15th day of the subsequent month. **MDAs that fail to submit their monthly Budget Performance Reports will not be considered for subsequent Capital / Recurrent Budget releases until they comply. This is intended to ensure that Budget releases correlate with progress on project implementation.**

6 EXTRA BUDGETARY REQUESTS

6.1 Ministries, Departments, and Agencies (MDAs) are strictly advised not to seek

Presidential or Federal Executive Council (FEC) approval for new projects not included in the 2025 Appropriation Act, or for additional funding on existing projects, without first consulting the Director General of the Budget Office of the Federation (BOF). This consultation is to confirm the availability of an appropriate contingency budgetary provision to support such expenditure.

7 PERSONNEL COSTS

7.1 The BOF will vigorously pursue greater efficiency in the management of personnel costs and will aim to reduce to the barest minimum the number of MDAs locked out of the IPPIS through monthly and quarterly reviews of MDAs' nominal rolls to eliminate unjustified payroll entries/allowances.

7.2 MDAs are advised to desist from initiating payment for promotion/salary arrears on the IPPIS platform. Instead, all such requests should be forwarded to the Committee on Payment of Promotions and Salary Arrears (CPPSA), which was established via Circular ref. **DG/BDT/GEN.CORR/2016/IV/1896 dated December 17, 2020,** issued by the HMBEP.

7.3 MDAs will henceforth be required to submit a monthly reconciliation of Non-Regular Allowances received as part of personnel emoluments to the BOF, indicating releases and utilization. Any surplus funds must be promptly remitted back to the OAGF. The Auditor-General of the Federation will be notified to include a review of compliance with this directive in their audit programme for MDAs.

7.4 No MDA is allowed to take any action that may result in an increase in its personnel cost within the year, such as recruitment, replacement of exiting staff, payment of unapproved allowances, etc., without following the due processes for approval of such action. Appropriate sanctions will be applied to erring Chief Executives/Accounting Officers.

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7.5 A new recruitment approach will be implemented to ensure compliance with the statutory/regulatory ratio between academic and non-academic staff and to enforce the 5% provision of jobs for the disabled in the MDA. Going forward, applications for establishment and financial clearances should disclose the status of compliance.

8 CONTRACTS DENOMINATED IN FOREIGN CURRENCY

8.1 MDAs are to ensure that their contracts are wholly denominated in Nigerian Naira (NGN). No MDA is authorized to enter a contract denominated in any foreign currency without the prior approval of the HMF/CME.

9 JUDGEMENT DEBTS

9.1 Payment of judgment debts by any MDA requires the approval of Mr. President, in addition to that of the Honourable Attorney General and Minister of Justice. Any such approved judgement debts will be charged to the appropriate budgetary provision of the originating MDA, except where otherwise explicitly provided for.

10 DEVELOPMENT PARTNERS

10.1 All requests for support from Development Partners are to be channelled through the International Cooperation Department [ICD] in FMBEP. All support received in cash/kind from any Development Partner by an MDA must be appropriately documented. Reports on all such Development Partners' support must be submitted monthly to the ICD as well as the OAGF.

11 TAX EXEMPTIONS

11.1 MDAs do **not** have any authority to grant tax exemptions to parties with whom they enter into contracts. All exemptions must follow due process in accordance with relevant statutes and must be formally approved through the appropriate legal and fiscal channels. Such due process is only deemed complete when the exemptions fall within the cap on tax expenditures established in the annual budget.

11.2 MDAs in the habit of incurring tax expenditures, particularly through exemptions, waivers, or non-enforcement of statutory tax obligations—are hereby cautioned to **stay within the annual tax expenditure cap provided in the 2025 Appropriation Act.**

12 MONITORING AND EVALUATION

12.1 The Budget Monitoring and Evaluation [BME] department of the Budget Office of the Federation (BOF) is mandated by law to monitor the implementation of all projects/programmes for which budgetary provisions have been made. BME will periodically conduct physical inspection/verification and an Impact Assessment of projects/programmes implemented by MDAs. It will collaborate with the National Monitoring and Evaluation (NME) department of FMBEP and the departments of Planning, Research, and Statistics [DPRS] in MDAs.

13 BUDGET IMPLEMENTATION REPORT

13.1 On a quarterly basis, each MDA must submit a consolidated Budget Implementation Report [BIR] to the BOF by the 15th day of the month following the end of the quarter. The BIR will show the budgeted and actual revenues/expenditures, explaining any resulting variances. It will also include pictures showing the status of the implementation of capital projects. The BIR should be reviewed and signed off by each MDA's Chief Executive and Accounting Officers and thereafter forwarded to the BOF.

13.2 Also on a quarterly basis, the BOF will prepare a consolidated BIR for the FGN and a cumulative full-year report by year-end. This report will be posted on the websites of the FMBEP and BOF every quarter. In accordance with Part V s.30 (1) of the Fiscal

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Responsibility Act (FRA) 2007, the quarterly BIR will be submitted to the Fiscal Responsibility Council and the Finance/Appropriations Committees of the National Assembly (NASS).

14 CORRIGENDA/VIREMENTS/AMENDMENTS

14.1 All MDAs are hereby reminded that it is an offence to apply any budgetary provision to any purpose other than that for which it was appropriated.

14.2 Any request for virement/amendment by an MDA must be forwarded through its Supervising Minister to the Budget Office of the Federation for consideration. If the request is vetted and justified by the Director General of Budget, the HMBEP will obtain the President's approval and thereafter send any virement/amendment request to the NASS, which is constitutionally empowered to approve all such changes in accordance with Part Vs.27 of the FRA, 2007.

14.3 Corrigenda are designed to correct obvious errors in the budget and cannot be used to vary specific provisions of the budget. All requests by MDAs for corrigenda must be forwarded to the Director-General, Budget Office. Valid corrigenda requests will then be forwarded to the clerk of the National Assembly for necessary action. All corrigenda must be signed off by both the Senate and House of Representatives Appropriation Committee Chairmen and transmitted by the Clerk of the National Assembly to the BOF to be valid.

15 METHOD OF SUBMISSION

15.1 All MDAs are required to submit hard copy of duly completed Annexures I – III to the Office of the Director-General, Budget Office of the Federation, 7th floor Federal Ministry of Finance Building, also forward a soft copy to the BOF Budget Help Desk e-mail address bofhelp@budgetoffice.gov.ng.

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16 CONCLUSION

16.1 The cooperation of all MDAs is hereby solicited for the effective and efficient implementation of the 2025 Budget to ensure the attainment of the objectives thereof.

16.2 For further enquiries on any aspect of this guideline, please contact your respective BOF Schedule Officers or call the BOF Budget Help Desk/Toll Free Line - 08002255263.

Tanimu Yakubu
Director General

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Federal Government of Nigeria
Summary of MDAs ·Capital Projects Prioritisation Guide

SECTION A – MDA IDENTIFICATION

Field	Description
MDA Name	Full name of Ministry/Agency
MDA Code	Budget Code (as per BOF records)
Budget Officer Name & Contact	Responsible Officer & Contact Info
Total Capital Allocation (₦)	As per 2025 Appropriation Act
Template Submission Date	[DD-MM-YYYY]

SECTION B – CAPITAL PROJECT PRIORITISATION TEMPLATE

Please use a spreadsheet application to enter data using the following headers and apply formulas to calculate totals per category (Capital Project Prioritisation Template).

S/N	Project Description	Project Code	Approved Capital Allocation (₦)	Category

SECTION C – SUMMARY OF PRIORITISATION

Category	Number of Projects	Total Value (₦)	% of Total Capital Budget
A	[e.g., 5]	[e.g., ₦3.1bn]	[e.g., 62%]
B			
C			
	Total (₦)		

SECTION D – MDA CERTIFICATION

We hereby certify that the projects listed above have been duly reviewed and categorised in compliance with the guidelines. The capital implementation strategy reflects our MDA's strategic priorities, available capacity, and readiness to adapt to fiscal realities.

Signed:_________________________(Chief Accounting Officer/ CEO **Name:** ____________________________

Date: __________________

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ANNEX II

MDAs CAPITAL PROJECT VALIDATION TEMPLATE

S/N	Project Title	Project Code	Implementing Department	Amount Appropriated (₦)	Amount Released (₦)	Outstanding Balance (₦)	Project Status (Completed/Unpaid, Ongoing, Not Awarded, Not Prepared)	Contract Award Status (Yes/No)	Estimated Completion Timeline	Political Sensitivity (Yes/No)	Remarks

ANNEX III

MDAs CAPITAL PRIORITISATION TEMPLATE

S/N	Project Code	Project Description	2025 Appropriation	Category (A/B/C)	Justification for Categorisation	Q1 Need (₦)	Q2 Need (₦)	Q3 Need (₦)	Q4 Need (₦)	Remarks	Project Status

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ANNEX III

MDA CAPITAL PRIORITISATION
SUMMARY TEMPLATE

Category	Number of Projects	Total Value (₦)	% of Total Capital Budget
A			
B			
C			
	Total Capital Budget (₦)	0	

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