



REF NO: MoF-BB/08/22
FROM: The Financial Secretary
TO: All Permanent Secretaries/Heads of Departments
DATE: 12th August, 2022

Cc: The Chief Minister
Hon. Minister of Finance
Hon. Deputy Minister of Finance I
Hon. Deputy Minister of Finance II
The Secretary to the President
The Secretary to the Cabinet and Head of the Civil Service
The Secretary to the Vice President
The Director General, Human Resource Management Office (HRMO)
The Commissioner General, National Revenue Authority (NRA)
The Accountant General, Accountant General's Department
The Auditor General, Audit Service Sierra Leone
The Chairman, Parliamentary Finance Committee

BUDGET CALL CIRCULAR FOR THE MTEF PERIOD FY2023 - 2025

I INTRODUCTION

1. In accordance with Section 31(1) of the Public Financial Management Act of 2016, I have the pleasure to transmit to you the Budget Call Circular that will guide the preparation of the FY2023 Budget and the two outer years FY (2024 and 2025). It is particularly important that Ministries, Departments and Agencies (MDAs) focus on operational activities for FY2023 especially geared towards the completion of ongoing programmes and projects in the FY2022 Budget and Sierra Leone's Medium-Term National Development Plan. It is important to submit plans that are of good quality as this will have a positive impact on resource allocation and budget execution.

2. The purpose of this Circular therefore is to communicate:

- i) Guidelines to Budgetary Agencies in preparing their budget proposals;

- ii) Government's priorities for FY2023 in line with the Sierra Leone's Medium-Term National Development Plan (2019 – 2023);
- iii) Key policies and administrative issues for the preparation of Strategic Plans and Expenditure Estimates; and
- iv) The Budget Calendar for the FY2023 budget preparation attached in Annex 7 of this Circular.

3. Consistent also with Section 33 (1) of the Public Financial Management Act 2016, the Minister of Finance is required to submit the Budget to Parliament for FY2023 and its medium-term perspective on **Friday, 4th November, 2022** to allow enough time for its scrutiny and ratification.

4. In line with the above, therefore, MDAs are required to prepare their budget proposals and contribution to the Budget Speech, **by 9th September 2022**. Consultative discussions on the FY2023 Budget with key Stakeholders in your sector will be held in the Conference Room of the Ministry of Finance between **19th September and 7th October, 2022**. The discussions will also be streamed via the virtual Zoom platform.

II. MEDIUM TERM MACRO-FISCAL FRAMEWORK: 2023 - 2025

5. The main objective of macroeconomic policy over the next three years (2023-2025) is to unlock the growth potential of the economy through human capital development while reducing poverty.

6. The medium-term prospects remain promising inspite of the global challenges. The economy is projected to grow by 3.4 percent in 2023, slightly below 3.6 percent in 2022, due to continued impact of the global crises on the economy. Economic growth will increase to 5.0 percent and 5.1 percent in 2024 and 2025 respectively, driven by the continued scaling up of public investment in infrastructure, diversification into value addition in agriculture, fisheries, manufacturing, combined with increased activities in the tourism and services sectors. The expected expansion in iron ore mining will also contribute to the growth prospects of the economy.

7. Inflationary pressures will moderate over the medium-term underpinned by increased food supply and stable exchange rate. Inflation will decline to 19.6 percent in 2023 and further to 16.4 percent in 2024 and 13.2 percent in 2025.

8. The current account deficit (including grants) is forecast to improve to 10.9 percent of GDP in 2023, from 13.6 percent of GDP in 2022. The expected growth in exports is expected to improve the trade deficit to 11.7 percent of GDP in 2023. The current account deficit (including grants) is projected to improve further to 8.8% of GDP in 2024 and 6.4% of GDP in 2025.

9. Over the medium term, the Bank of Sierra Leone will seek to build reserves, while allowing further exchange rate flexibility by limiting its intervention to smoothen exchange rate volatility.

Gross international reserves are projected to average 3.3 months of imports during 2023 to 2025. The exchange rate is projected to stabilize over the medium term driven by increased exports, proactive policies by the Bank of Sierra Leone, combined with increased foreign direct investment inflows.

10. Over the medium term, Government will implement the Medium-Term Revenue Mobilization Strategy which is under preparation and will be completed by December 2022. Domestic revenue is therefore projected to increase to 15.0 percent of GDP by 2023 and further to 15.9% of GDP in 2025. The implementation of improved public financial management reform measures is expected to continue to enhance the efficiency of spending, support medium-term budget planning and execution, and continue to consolidate the cash resources of various Ministries, Departments and Agencies under the Treasury Single Account system.

The Table below summarizes the key macroeconomic projections for the medium-term, 2022-2025:

Indicator	2022	2023	2024	2025
(Annual percentage change, unless otherwise stated)				
Real GDP growth	3.6	3.4	5.0	5.1
Real non-iron GDP growth	2.4	3.2	4.8	4.9
Consumer Prices (end of period)	22.1	19.6	16.4	13.2
Consumer prices (average)	21.7	21.0	18.0	14.8
Indicator	2022	2023	2024	2025
Exports of goods	30.6	6.8	4.4	10.3
Imports of goods	9.6	-4.1	-0.8	1.4
Broad Money	10.1	16.8	24.7	17.7
Reserve Money	1.3	20.4	20.9	17.7
(Percentage of GDP)				
Current account balance (incl.grants)	(13.6)	(10.9)	(8.8)	(6.4)
Current account balance (excl.grants)	(16.9)	(13.6)	(12.1)	(9.6)
External public debt (incl to IMF)	57.9	58.2	56.4	53.5
Domestic revenue	14.7	15.0	15.5	15.9
Expenditures & net lending	25.1	22.3	23.1	22.3
Grants	5.8	4.5	5.2	4.4
Overall balance	(4.1)	(2.8)	(2.4)	(1.9)
Overall balance (excl grant)	(9.9)	(7.3)	(7.6)	(6.3)
Domestic primary balance	(2.5)	0.3	1.7	1.6
Gross International Reserves	4.0	3.5	3.3	3.0

MDA Revenue Projections

11. MDAs are requested to provide a comprehensive list of all current and prospective revenue streams. MDAs must also provide data actual revenue collected in the last two years, as well as medium term revenue projections, including deposits on the sale of contract bid documents. In addition, all balances in Bank Accounts must be reported when submitting revenue proposals.

12. All MDAs are also required to submit tax and non-tax proposals, including those for changes in the rates of fees, licenses, etc. for discussion during budget hearings.

13. Pursuant to Finance Act 2020, MDAs are also requested to budget for the payment of all taxes, duties and fees as they shall be liable to pay all taxes, fees and import duties on their imports.

14. ***Report on tax expenditure:***

MDAs are expected to provide in their Budget proposal for 2023 a report on tax expenditure covering duty waivers by category and corporate income tax waived for investment projects including mining companies operating under their supervision.

III PROJECTED RESOURCE ENVELOPE FOR FY2023

15. Total Revenue and Grants are projected to amount to SLL12.6 billion (19.5 percent of GDP) in FY2023. Domestic Revenue is projected at SLL9.7 billion (15.0 percent of GDP) in FY2023 from an estimated SLL7.8 billion (14.7 percent of GDP) in 2022. Grants are projected at SLL2.9 billion (4.5 percent of GDP) in FY2023 from an estimate of SLL3.1 billion (5.8 percent of GDP) in FY2022.

16. Total expenditure and net lending is projected at SLL14.4 billion (22.3 percent of GDP) in FY2023 from an estimated SLL13.3 billion (25.1 percent of GDP) in 2022. Of the total expenditure and net lending, Goods and Services are projected at SLL1.6 billion, whilst Subsidies and Transfers are projected at SLL1.7 billion. The attached Recurrent Expenditure Ceilings in Annex I are based on the projected expenditure for Goods and Services, Subsidies and Transfers. The domestic capital budget is projected at SLL1.5 billion (2.3 percent of GDP) for 2023 from an estimated SLL1.3 billion (2.4 percent of GDP).

IV. BUDGET PRIORITIES FOR FY2023

17. The Fiscal Year 2023 MTEF budget will continue the implementation of Government priorities articulated in the Medium-Term National Development Plan and the Fiscal Strategy Statement 2023-2025. To support the implementation of these programmes and projects and attainment of the outcomes in the Fiscal Strategy Statement 2023 - 2025, priority will be given to the following:

- i) completion of ongoing projects. All MDAs are therefore advised **not to submit budget estimates for new projects or programmes not approved by the relevant authorities;**
- ii) it is also imperative that MDAs make provision for all operational activities including all the subsidies in the Social and Economic Sectors in their budget estimates; and
- iii) make adequate provision for the clearance of suppliers' arrears for Goods and Services supplied in 2022.

V. PUBLIC FINANCIAL MANAGEMENT REFORMS

18. Over the last years, efforts have been made to improve on our public financial management systems. These reforms are expected to play an important role in ensuring budget credibility, value for money and probity in the use of public funds to ensure improved public service delivery.

The quality of public financial management would be strengthened to improve aggregate fiscal discipline, strategic allocation of resources and efficient public service delivery. The budget formulation process is being strengthened to ensure the timely preparation of the Government Budget and its transmittal to Parliament.

19. Implementation of 2014 GFS Chart of Account:

To support the smooth implementation of the FY2023 Budget, the Ministry of Finance has in FY2022 moved from the 1986 Government Finance Statistics (GFS) to the 2014 GFS in order to ensure effective public sector financial reporting in line with International Standards. This resulted in the Ministry upgrading the old Chart of Account from 27 digits to 33 digits which is in line with the current National Development Plan. The additional 6 digits is reflective of the 2014 GFS and we continue to encourage MDAs' Budget Committees to liaise with the Ministry of Finance to learn more about the new Chart of Accounts for the preparation of their FY2023 budgets.

20. Integrated Financial Management Information System (IFMIS) roll-out:

Government has upgraded the IFMIS software to a higher version (Version 7), which is web-based and it has been rolled out to most MDAs in 2022. Therefore, MDAs are encouraged to continue with the improvement of their Information, Communication and Technology (ICT) infrastructure to improve on internet connectivity to enable effective utilization of the new IFMIS Version 7 software. The Ministry of Finance will use the upgraded IFMIS to prepare the FY2023 Budget.

21. Piloting of Gender Responsive Budgeting (GRB)

Consistent with the Gender Equality and Women’s Empowerment Bill and ongoing efforts to strengthen gender equality as noted in Cluster 5 of the Medium-Term National Development Plan, the Ministry of Finance in collaboration with the Ministry for Gender and Children’s Affairs will build on the current budget preparation process to institutionalise Gender Responsive Budgeting (GRB) in the FY2023 Budget. *GRB is an approach to budgeting that uses fiscal policy and public financial management instruments to promote gender equality.* It is about bringing awareness of gender inequalities, including underlying causes into policy formulation and budgetary decision-making to promote the attainment of gender equality objectives.

During the FY2023, the Ministries of Basic and Senior Secondary Education, Health and Sanitation, Gender and Children’s Affairs, Defence and the Sierra Leone Police have been selected to pilot the rollout of GRB. These Ministries were selected based on the existence of gender related programmes in their current budgets and key prerequisites to GRB such as the availability of some gender disaggregated data in their regular reports. The selected ministries will therefore be required to include in the FY2023 budget proposals and information relating to their gender priorities; performance targets and indicators; and their projected spending, using a template to be shared with them later this month. Separate guidelines on the preparation of GRB will also be shared indicating the available technical support to successfully undertake the reform. In addition, the Ministry of Finance will provide specific training to the pilot Ministries on GRB during August 2022.

22. Mainstreaming of Child Budgeting

Over the years, Government has made tremendous effort to increase budgetary allocation to adequately address children’s issues such as poverty, malnutrition, illiteracy or child protection under the New Direction Agenda. The New Direction will continue to give due consideration to children mainstreaming of MDAs activities.

In this regard, budget estimates/proposals for the recurrent and domestic capital budget should ensure equitable resource allocation to both abled and disabled children beneficiaries. Hence, all MDAs and Local Councils should endeavor to prepare their respective strategic plans and budgets with priority given to children and other socially vulnerable groups. For the FY2023 Budget, the Ministries of Basic and Senior Secondary Education, Health and Sanitation, Social Welfare, Gender and Children’s Affairs and the National Commission for Social Action (NaCSA) are considered as pilot MDAs and as such are required to mainstream children activities in their budget proposals.

VI PROCUREMENT PROCESSES AND PROCEDURES EXECUTION

23. Procurement Planning and Approval

As required in the Public Procurement Act 2016, Section 29 Subsection 5 states:- “In accordance with the budget preparation procedures issued by the Ministry, all procuring entities shall submit their annual procurement plans for the coming financial year to the Ministry and the Ministry responsible for local government (for local councils) for review and approval.” In the submission of Budgets, following this Budget Call Circular, all

procuring entities should submit their procurement plans in line with the above provision for review and approval.

In addition, the current status of all contracts should also be submitted; including payments that have been made and outstanding obligations relating to each contract.

24. ***Development of e-Procurement System:***

In line with Government Public Financial Management efforts, Government is in the process of introducing an e-procurement system that will improve on transparency in procurement processes across Government. In that regard, the National Public Procurement Authority (NPPA) should include as part of their budget submission implementation of a suitable e-procurement platform

VII. GUIDELINES FOR SUBMISSION OF FY2023 BUDGET PROPOSALS AND DRAFT ESTIMATES

25. Using the above fiscal projections for FY2023 – 2025 and related Recurrent Expenditure Ceilings, MDAs are strongly advised to prepare their respective budget estimates using the budget costing template as shown in Annex 2 to this Circular. Resource allocation in the FY2023 budget will focus on programmes to be completed under the Sierra Leone’s Medium-Term Development Plan and core functions of MDAs. As in previous years, the preparation of MDA budget proposals **should start** with the development of the Strategic Plan for the MDA. **MDAs are advised to prepare their budgets within the ceilings provided in Annex I.**

26. MDAs are strongly advised NOT to budget for new projects without the approval of the Ministry of Planning and Economic Development. All new projects will have to be formulated within the framework of the Public Investment Policy. Hence, there must be clear consistency among the Medium-Term National Development Plan, the MDA Strategic Plan, and the MDA Budget Proposal or Estimate. The **final budget ceilings** and decisions on reallocation of resources would be agreed upon following conclusions from the consultative budget discussions to be held in September/October.

27. As already commenced in 2018, resource allocation and subsequent release of funds to MDAs in 2023 would be **performance based**. This implies that the access to funds from the Consolidated Revenue Fund (CRF) would be based on the progress made by MDAs in implementing triggers/benchmarks agreed between Government and its development partners under various frameworks, including the Country Policy and Institutional Assessment (CPIA), the Budget Support programme, the Multi-Donor Budget Support Performance Assessment Framework (MDBS_PAF), and the IMF Structural Benchmarks. MDAs are therefore strongly encouraged to refer to the CPIA technical notes already circulated, and other performance related programmes.

28. It is worth noting that improvements in CPIA ratings will increase the resources allocated to Sierra Leone by the multilateral financial institutions. This in turn will translate into higher budgetary allocations to MDAs.

Technical support for Budget Preparation within MDAs

29. As usual, all Vote Controllers **are expected to convene meetings** of their Budget Committees to undertake the initial preparation of their budget estimates. The full participation of the budget committees in compiling the draft budget estimates for FY2023 and MTEF Strategic Plans for 2023-2025 is strongly encouraged. Copies of the **Minutes** of all such meetings should be sent as an Annex to your budget submissions for FY2023. To strengthen the process, the Ministry of Finance has assigned Budget Officers to assist MDAs in preparing their budget estimates.

30. Upon completion of the Committees' work, the draft Budget Estimates must be submitted to the **supervising minister or Head of Agency for endorsement and approval** and the same submitted to the Ministry of Finance against the stipulated deadline, which is **9th September 2022**. This should be submitted alongside draft procurement plans and disbursement forecasts developed in accordance with guidelines issued by the National Public Procurement Authority. It should be noted that the costing of the procurement plan must be consistent with the overall final budget estimates of the MDA to continue to improve on budget credibility in 2023.

Recurrent Expenditure Projections

31. In preparing estimates for recurrent expenditures, all MDAs must:

- i) ensure their budget proposals/estimates do not exceed the ceiling provided in the Call Circular
- ii) include outstanding commitments on all existing contracts and supplies. These must be **adequately provided for prior to projecting new obligations**; and
- iii) not enter into contracts denominated in foreign currencies. A standardized template for costing is attached as Annex 2 to this Circular. However, MDAs are advised to obtain the electronic copy of the standardized costing templates from the Budget Bureau. The relevant Annexes would later be uploaded in the MoF website (www.mof.gov.sl) by third week of August for ease of access.

32. To address the huge arrears accumulated for Subscriptions to International Organizations, MDAs are encouraged to negotiate payment plans on outstanding arrears with their respective Organizations and submit same to the Ministry of Finance for consideration. These do not form part of your budget ceilings.

33. The attached Check List (Annex 4) must also be completed when submitting proposals.

VII. HUMAN RESOURCE MANAGEMENT AND PAYROLL REFORMS

34. Over the years, uncertainties in the number of public sector workers, including in-year salary review and recruitment requests that do not take into account that the budgetary

implications are a major source of unpredictability in budget management. The overall objective of the pay reform is to have an established pay policy as well as to facilitate the creation of a satisfying and rewarding work environment, which in turn would make it possible for public service employees to work in a productive and efficient manner. In light of this, the Government has made progress towards the establishment of the Wages and Compensation Commission to address the major challenges in the wage bill.

35. To improve on the management of the payroll process, steps have been taken to align the manpower planning process and the budget development process.

36. MDAs are also required to properly budget for all new recruitment in a phased approach from 2022 to 2023 and to submit all information on retirements, promotions, transfers, death etc.

37. All MDAs including sub-vented agencies are expected to follow the standard procedures for requesting payroll changes. In particular, the standard procedure for requesting approval for new recruitment must be adhered to. **As a reminder, before recruiting new staff, MDAs should write to the Ministry of Finance in order to seek financial approval for these positions, and recruitment should only begin after the approval is received.** If MDAs do not follow this procedure, no retroactive payments will be made to staff that are recruited. Sub-vented Agencies are also advised to ensure that all recruitment and promotion requests submitted are to be guided by a Management and Functional Review that would have been conducted by the Public Sector Reform Unit (PSRU).

38. A number of steps are being taken to improve on the quality and integrity of the existing payroll data hence the Ministry of Finance has taken a policy decision that all staff paid from the central payroll must have a valid NASSIT and NCRA numbers, valid BBANS as well as a Date of Birth that is consistent with that which is embedded in an employee's NASSIT Number and NCRA records.

Personnel Costs

39. The Payroll Estimates for FY2023 and beyond will be computed on the basis of the submissions made in the Wage Bill Budget Templates. These estimates will be submitted to each MDA for review. Each MDA will then resubmit following any amendments and/or corrections.

40. In collaboration with HRMO, MDAs must also include in the wage bill budget templates information on retirements – those who proceeded on retirement during the year or are expected to retire by 31st December 2023, including abandonment of posts. Unfortunate occurrences of deaths must also be reported. This is part of the cleaning up exercise of the payroll. MDAs must collect soft copies of the Wage Bill Budget Templates from the Budget Bureau, Ministry of Finance.

Teacher Payroll

41. The teacher payroll will continue to receive Government's attention. To this end, the Teaching Service Commission has been working to manage the recruitment, postings and training of teachers countrywide.

42. The Ministry will continue to implement its policy of ensuring all recruited teachers are paid directly into their bank accounts as full automation for all categories of teachers in the payroll has been done. It is very important to ensure continuity of educational activities in schools. The retirement, replacement and recruitment of teachers will be aligned with the academic year in line with the Policy that has been approved by Cabinet. All the teachers who attain the age of retirement before end of July will be retained until 31st of July. The teachers attaining retirement age during August will be retired on 31st August. New teachers will be recruited by end August and will assume their duties on 1st September. The retirement list will be prepared by Teaching Service Commission (TSC) and Accountant General's Department (AGD) by end of January to provide ample time for smooth retirement processing. Emergency replacement (e.g. in case of death, resignation, abandonments) will be allowed to ensure availability of teachers in the classrooms subject to the submission of the complete documentary evidence.

VIII. PUBLIC INVESTMENT PROGRAMME (PIP)

43. Government's objective is to ensure that the preparation and execution of the public investment programme is enhanced in order to ensure that selected projects are not only consistent with the Medium-Term National Development Plan and the FSS 2023 - 2025 but also technically feasible, as well as financially and economically viable. MDAs should therefore work with the Ministry of Planning and Economic Development to ensure prior prefeasibility studies are undertaken and reasonable costing of the project are obtained and submitted.

44. To strengthen implementation of capital expenditure, the Ministry of Planning and Economic Development (MoPED) will issue policy guidelines and frameworks on the management of the Public Investment Programme (PIP) spelling out clear roles and responsibilities of key institutions in relation to project identification, design, appraisal, implementation, monitoring and evaluation. The Cabinet approved National Public Investment Management Policy is attached to this circular.

45. For 2023, development expenditure projection for projects and programmes will be based on the following:

- priority will be given to the completion of ongoing projects
- projects and programmes alignment to the aspirations of the Medium-Term National Development Plan with emphasis on human capital development and economic diversification;
- rationalize ongoing projects and programmes in tandem with Government broad policy objectives and the availability of funds;

- project and programmes that are critical to the statutory functioning of the Ministry, Department or Agency with official approval; and
- reference made to the previous year's allocation of the domestic capital, especially for ongoing projects.
- Projects must also meet the following conditions: (i) clear objective with expected start and end date (ii) contains reasonable estimates; (iii) clear inputs, outputs and indicators as defined in the attached Project Profile.

46. Where feasibility studies, needs assessments, option analysis etc. have not yet been conducted, the relevant MDA should apply for funding from the Project Preparatory Facility (PPF) in their FY2023 Budget proposal after submitting a clear Concept Note (CN) or Project Proposal.

47. As the Government increasingly engages the private sector to help deliver aspects of Public Investment Programmes, Public Private Partnerships (PPPs) will emerge as well as the related fiscal implications. These fiscal implications should be incorporated in the budget estimates. PPPs will continue to be driven and owned by the relevant MDAs but must be developed and transacted with guidance from the PPP Unit in line with the PPP Act 2014.

48. In outlining the total cost of a PPP project, MDAs should estimate the total potential private sector contribution and indicate in totality the potential government obligation, including feasibility studies, needs assessments, resettlements cost, compensation payments, transaction/advisory cost, equity investments and the associated recurrent costs (e.g. PIU costs).

49. To enhance the delivery of existing projects and consider new project proposals, the Project Profile has been revised to capture vital project information with the aim of simplifying the PIP process. This form must be completed in FULL and SIGNED by the relevant authorities. Failure to comply with this will LEAD to your project not to be considered in the PIP for the FY 2023 and National Budget. This MUST be completed for ALL projects: - NEW as well as ONGOING.

50. All MDAs with ongoing project(s) should submit a copy of the original project(s) document together with a comprehensive status report on the implementation as at end June 2022.

51. *National Monitoring and Evaluation Department (NaMED) and Public Investment Projects*

NaMED is monitoring and evaluating all government and donor funded projects, programmes and policies and the Medium-term National Development Plan. Thus, no funds will be disbursed to public investment projects without NaMED's monitoring report which validates results achieved against funds utilized.

NaMED in collaboration with the Ministry of Finance will implement the following operation modalities as policy in the implementation of capital projects:

1. All capital projects (new and on-going) should submit a Project Profile for it to be included in the list of capital projects for Parliamentary approval.
2. To facilitate monitoring of projects, MDAs' requests to MoF for the first tranche of payments for capital projects should be copied to the NaMED to ensure that the Project Profile is uploaded in the National Monitoring and Evaluation Information System (NaMEMIS).
3. Following payment of the first tranche, all subsequent requests for disbursements of funds by the MoF should be accompanied by a monitoring report from NaMED.
4. Before the making final payments for public projects, MDAs must submit to MoF a Project Completion Report that has been endorsed by NaMED.

52. *Institutional Capacity Building*

To improve on budget planning, execution and monitoring in key MDAs should submit in addition to their project costs a budget line for building capabilities in their MDAs in the FY2023 Budget. To improve on coordination in building human capacity efforts, the Human Resource Management Office should approve all Undergraduate, Masters and PhD Degree Courses before payments are made out of the Consolidated Revenue Fund (CRF).

X. INCLUSION OF DONOR FUNDED PROGRAMMES AND ACTIVITIES

53. All MDAs with on-going project(s) should submit a **copy of the original project(s) document** together with a **comprehensive progress status report** on project implementation as at end July 2022. The policy objective(s), activities, estimated costs, duration and expected outcomes of such projects should be made clear and incorporated in the Strategic Plan. **MDAs should ensure that donors comply with and complete the Development Assistant Database (DAD)** managed by the Ministry of Planning and Economic Development. Further to this, MoPED has developed a Mutual Accountability Framework (and a dashboard system) between Government and Development Partners to monitor progress on the implementation of programmes and projects. MDAs implementing donor funded projects should therefore liaise with MoPED on the use of this framework.

54. Furthermore, MDAs should also request comprehensive details from NGOs operating in their sector(s) and integrate these activities within their respective plans and budget submissions. Copies of NGO submissions should be submitted with budget proposals.

XI. NEXT STEPS IN BUDGET PREPARATION PROCESS

55. In preparing Budget Estimates, all MDAs are strongly encouraged to:

- Adhere to the requirements of the Public Financial Management Act 2016.

- Adhere to the requirements of the Public Procurement Act 2016 (including amendments in all the Finance Acts from 2018 to date), especially for the preparation of procurement plans (including disbursement plans) and the Public Private Partnership (PPP) Act of 2014 for the preparation of projects under PPP arrangements
- **Prepare comprehensive revenue and expenditure estimates** including all donor and NGO-supported programmes and projects.
- **Prepare detailed Strategic Plans** (Annex 2) with clear policy objectives, activities, output/outcomes, key performance indicators and timelines aligned to the respective Clusters in the ‘National Development Plan’. Strategic Plans should be costed and provided for within the indicative resource ceilings (Electronic copies of templates are available at the Budget Bureau).
- Ensure the widest participation of all stakeholders, including NGOs, CSOs, and internal budget committees.
- Ensure that budget proposals and formats are consistent with the IFMIS 33-digit Chart of Accounts
- **MDAs are encouraged to submit their contribution to the Budget and Statement of Economic and Financial Policies for FY 2023 on or before 9th September 2022.**

XII. OTHER ADMINISTRATIVE DETAILS - ORGANISATION AND TIMELINES FOR THE FY2023 BUDGET PREPARATION PROCESS

Deadline for Submission of Draft Estimates and Proposals

56. In order to comply with the requirements of the Public Financial Management Act 2016, the **deadline for the submission of Budget Proposals**, including **Strategic Plans**, updated **Procurement Plans** (including quarterly Disbursement Plans) by all MDAs to the Financial Secretary is **9th September 2022**.

All submissions in relation to **Annexes 2, 3 and 4** should be addressed to the Financial Secretary for the **Attention of the Director of Budget**, whilst submissions in relation to **Annex 6 and a copy of Annex 3** should be addressed to the Development Secretary, Ministry of Planning and Economic Development and **Director of Budget**.

Policy Hearings and Participatory Budget Discussions

57. These discussions, for key stakeholders will be held in the first-floor conference room of the Ministry of Finance from **19th September to 7th October 2022**.

58. Please also note that Annexes 2, 3 and 6 referred to in this Circular are to be obtained in **electronic version** from the **Budget Bureau on the Ground Floor of the Treasury Building, Ministry of Finance** for ease of completion.

59. Finally, we anticipate the cooperation of all MDAs for completion of the budget process in line with the requirements of the Law.

Matthew Dingie
FOR: FINANCIAL SECRETARY
Ministry of Finance, Treasury Building
George Street
FREETOWN

Annexes

1. Recurrent Expenditure Ceilings (Copy attached therein);
2. Strategic Plans Template (Electronic copy to be obtained from the Budget Bureau);
3. Customized Budget Costing Template (Electronic copy to be obtained from the Budget Bureau);
4. Budget Submission Checklist
5. National Public Investment Policy and Templates (Copy attached therein);
6. Chart of Accounts and National Development Plan Activity Codes for MDAs (Electronic copy to be obtained from the Budget Bureau);
7. FY2023 Budget Calendar;