

**CAPITAL EXPENDITURE BUDGET ROLL-OVER BILL, 2015**

**ARRANGEMENT OF SECTIONS**

*Sections*

1. **Timely release of Capital and Overhead Expenditure**
2. **Utilization of capital expenditure within budgeted timelines**
3. **Unutilised and unspent capital expenditure of current year to be rolled over to the next budget period**
4. **Multi-Year Capital Expenditure**
5. **Appropriated Funds for capital projects to be continuously released**
6. **Enforcement**
7. **Scope of Rollover**
8. **Interpretation**
9. **Citation**



# A BILL

## FOR

AN ACT TO MANDATE AND AUTHORIZE THE ROLL-OVER OF ALL UNSPENT OR UNUTILISED CAPITAL EXPENDITURE OF FEDERAL GOVERNMENT MINISTRIES, DEPARTMENT AND AGENCIES IN A FINANCIAL YEAR TO THE NEXT FINANCIAL YEAR UNDER THE SAME HEADS OF CAPITAL EXPENDITURE

*Sponsored by Hon. Sunday Steve Karimi*

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1           1. As from the date of the commencement of this Act, the Federal  
2 Government of Nigeria and the Minister of Finance shall ensure that all  
3 Appropriated Capital and Overhead Expenditure in the Current Year's  
4 Appropriation Act shall be released to the Ministries, Department Agencies  
5 and Parastatals as at when due and in consonance with the current year's  
6 Appropriation Act and Fiscal Responsibility Act 2007.

Appropriated capital and overhead expenditure heads to be released timely

7           2. That as regards appropriated Capital Investment Expenditure  
8 for the current year, such capital expenditure released to Ministries,  
9 Agencies and Department shall be utilised for the appropriated purpose and  
10 shall be utilised within the approved time frame which is usually a year and  
11 in consonance with the principle of annuality Fiscal Budgeting.

Capital expenditure heads of Ministries, Department and Agencies to be utilised adequately in the appropriated budgetary period

12           3. -(1) Whenever it is impossible for Ministries, Agencies and  
13 Department to utilise Capital Expenditure appropriations to them as at when  
14 due or completely in the current year, the Ministries Agencies and  
15 Department shall roll-over the balance of the appropriated capital  
16 expenditure to the next budget period/next financial year and under the same  
17 capital expenditure item of the said Ministry, Department or Agency of  
18 Federal Government.

Unutilised appropriated capital expenditure to be Rolled-Over to the next Fiscal Year

1 (2) in pursuance to subsection (1) of this Section and as regards Multi-  
2 Year Capital Expenditure items, the balance of the Unutilised Capital  
3 Expenditure in the current year shall be rolled over and added to the amount  
4 appropriated in the next year Budget until the completion of the Multi Year  
5 Capital Project.

6 (3) In pursuance to Subsection (t) of this Section and as regards  
7 Single-Year Capital Expenditure Projects, the unutilised capital expenditure in  
8 the current year shall be rolled over to the next budget period/financial year  
9 until the completion of the said capital expenditure item/head.

Multi-Year  
Capital Expenditure

10 4. Whenever a Ministry Agency or Department of the Federal  
11 Government of Nigeria is undergoing a multi-year Capital Expenditure, the  
12 unspent balance of each year's appropriation shall be rolled-over to the next  
13 year Budget period and under the same Capital Expenditure item.

Appropriated  
funds for Capital  
Projects of  
ministries  
Departments and  
Agencies to be  
continously  
released

14 5. It shall be compulsory for all Ministries Agencies and Department  
15 to ensure continuous funding of all capital expenditure/projects and ensure  
16 continuous release of funds to bring the project to completion.

Enforcement

17 6. A person shall have legal capacity to enforce any of the provisions  
18 of this Act by obtaining prerogative orders or other remedies at the Federal  
19 High Court, without having to show any special or particular interest.

Scope of Roll  
Over

20 7. For the purpose of this Act, only unutilised appropriated capital  
21 expenditure of the Government of the Federal Republic of Nigeria shall be  
22 rolled over to the next financial year or budget period. Appropriated overhead  
23 expenditure is excluded from roll-over.

Interpretation

24 8. In this Act:  
25 "Capital Expenditure" means investment expenditure, funds appropriated for  
26 provision of infrastructure projects such as roads, power, dams, housing,  
27 telecommunication facilities and other government expenditure not termed as  
28 recurrent or overhead expenditure;  
29 "capital expenditure item" means capital expenditure heads or capital projects  
30 as appropriated in the applicable Appropriation Act;

1 "Overhead expenditure" means other appropriation expenses in the  
2 Appropriation Act excluding Capital Expenditure, used for servicing  
3 government recurrent expenditure;

4 "Roll-Over" means transferring unutilised appropriated capital expenditure  
5 heads to the next year or next budgeting period and under the same capital  
6 expenditure head to ensure completion of the capital project embarked  
7 upon;

8 "principle of annuality in Fiscal Budgeting" means that since the Budget of  
9 Federal Republic of Nigeria is an annual Budget, all Capital Projects in the  
10 Budget are for a discrete time frame which is usually a year and such projects  
11 should be executed within the a year as approved in the Appropriation Act.

12 Only when the exigencies of the case require and the projects exceed the  
13 budget period I the unutilised appropriated balance shall be "rolled over" or  
14 transferred to the following year under the same capital expenditure item;

15 "Principal Officers of Ministries Agencies and Department" means the  
16 Permanent Secretaries, Chief Executive Officer, the head Finance and  
17 Administration Directors of Budget and Head Procurement and such other  
18 officer as may be dependent on the circumstance is responsible for  
19 overseeing capital projects in the said Ministry agency and department of  
20 Government;

21 "multi year capital Expenditure" means capital expenditure or capital  
22 projects of federal government that are meant to last more than one year and  
23 are to cover more than one year budget. That is projects that *ab initio* will be  
24 financed by more than one year public revenue/budget;

25 "Single year capital expenditure" means capital investments in projects by  
26 Federal Government that are meant to be completed within a Fiscal Year or  
27 solely financed by a single year budget but may need to be rolled over to the  
28 following year because of inefficiencies in the budget system.

29 9. This Bill may be cited as Capital Expenditure Budget Roll-Over Citation  
30 Bill, 2015.

## EXPLANATORY MEMORANDUM

The objective of this Bill is to mandate all Ministries Department and Agencies of Federal Government to utilise all appropriated Capital Expenditure for the purpose appropriated timely and effectively and with respect to the principle of budget accountability and annuality and that whenever it is impossible for Ministries Department Agencies and Parastatals to utilise appropriated capital expenditure in the year of appropriation as in the current year appropriation Act, such unutilised capital expenditure shall be rolled-over unto the next budgeting year. The essence is to ensure continuity and completion of all infrastructure and capital projects.