

Democratizing Africa's Budgeting Process for Good Governance and Sustainable Development

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Abstract

Participation in public expenditure management by the people themselves, or by the civil society organizations and parliaments who represent them is emerging as a major new arena for political activity and economic policy-making across the globe. However, in several parts of Africa, there are evidences of wide gaps between the expected roles of citizens' and their actual involvement in budget preparation, execution and implementation. There are also manifest discrepancies between financial proposals and accomplishments due to citizens' detachment from the budgeting process. Whereas the budget process in a country forms crucial index for determining the degree to which it has an open, democratic, and participatory system of government; most States of Africa continue to constrain the space of citizen participation in the budgeting process thus limiting good governance and constraining development potentials. This paper focuses on Nigeria's budgeting process especially as it relates to the general absence of information on budget issues — particularly in accessible, non-technical forms thus, hampering citizen's participation in issues relating to the distribution of public resources.

Key words: Budget, Participatory Budgeting, Democracy and Good Governance

Introduction

Against the backdrop of heightened realization that economic development and the fight against poverty can effectively be enhanced under an environment of good governance, and that fiscal (inclusive of budget) transparency is one of the key instruments for achieving good governance, a sharp focus is now on fiscal transparency. The 21st century dynamics of budgeting now emphasizes citizen's right to know and, to some extent, determine how public funds are collected and spent. Across the globe, there is growing international focus on transparency and accountability in governance amply demonstrated by the proliferation in recent years of initiatives aimed at directly and indirectly promoting and enforcing transparent fiscal practices. The idea behind the pursuit of fiscal transparency is borne out of the need to ensure that the objectives of budgets, it's legal, institutional, and economic framework, policy decisions and their rationale, data and related information, are provided to the public on an understandable, accessible, and timely basis.

From this standpoint, this paper seeks to explore the budgeting process in Nigeria in a bid to make a case for a more inclusive, nay, democratic budgeting framework that will engender good governance and sustainable development.

Conceptual Discourse_ Budget, Participatory Budgeting and Good Governance

A budget is a description of a financial plan. It is a list of estimates of revenues to and expenditures by an agent for a stated period of time. Normally a budget describes a period in the future not the past. It may be described as monetized expressions of targets to be accomplished in a given year by an individual, organization or nation. It is a deliberate attempt

to achieve superior targets over time with available and expected resources (Osiyemi, 2005). To a business organization, a budget is a plan that outlines an organization's financial and operational goals. So a budget may be thought of as an action plan; planning a budget helps a business allocate resources, evaluate performance, and formulate plans. While planning a budget can occur at any time, for many businesses, planning a budget is an annual task, where the past year's budget is reviewed and budget projections are made for the next three or even five years. In the case of government budgets, they are usually proposed or designed for a year to guide their spending, activities and program of actions. In this sense, Ugoh and Ukpere (2009) defined budget as a comprehensive document that outlines what economic and non-economic activities a government wants to undertake with special focus on policies, objectives and strategies for accomplishments, that are substantiated with revenue and expenditure projections. This implies that a budget indicates the expenditures, revenues, or profits planned for some future date.

In a word, a budget is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government.

On the part of participatory budgeting, there are divergent opinions regarding the meaning of the concept. This is partly because what constitute participatory budgeting and in what procedures varies according to settings. As a result of the controversy surrounding the meaning of participatory budgeting, Sintomer, Herzberg, Allegretti & Rocke, (2012) have argued that there needs to be a definition that includes a set of minimal requisites to clearly differentiate this participatory procedure from others. Such minimal definition includes the participation of non-elected citizens in the conception and/ or allocation of public finances. For the purpose of this paper, we used the definition by de Renzio and Wehner (2015) who define participatory budgeting as the a wide set of possible practices through which citizens, civil society organizations, and other non-state actors interact with public authorities to influence the design and execution of fiscal policies. This definition is in tandem with the view of Zhang and Yang (2009) which described participatory budgeting as a process of democratic policy-making in which the government invites citizen inputs during the budget process and allow their influence in budget allocations..

It is therefore deducible from these definitions that participatory budgeting programmes are implemented at the behest of governments, citizens, Non Governmental Organisations (NGOs), and Civil Society Organisations (CSOs) to allow citizens to play a direct role in deciding how and where resources should be spent. It is a situation in which budget are designed and set after input from the citizen, instead of merely being imposed. The rationale for this campaign is that budget is a sensitive document whose provisions will be implemented over all and sundry. It must therefore not be left to the whims and wishes of the politicians, hence, the need to democratize its processes (preparation, approval, implementation and monitoring).

On the other hand, the definition of good governance promotes many ideas that closely align with effective democratic governance. Not surprisingly, emphasis on good governance can sometimes be equated with promoting democratic government. Good governance has eight (8) major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

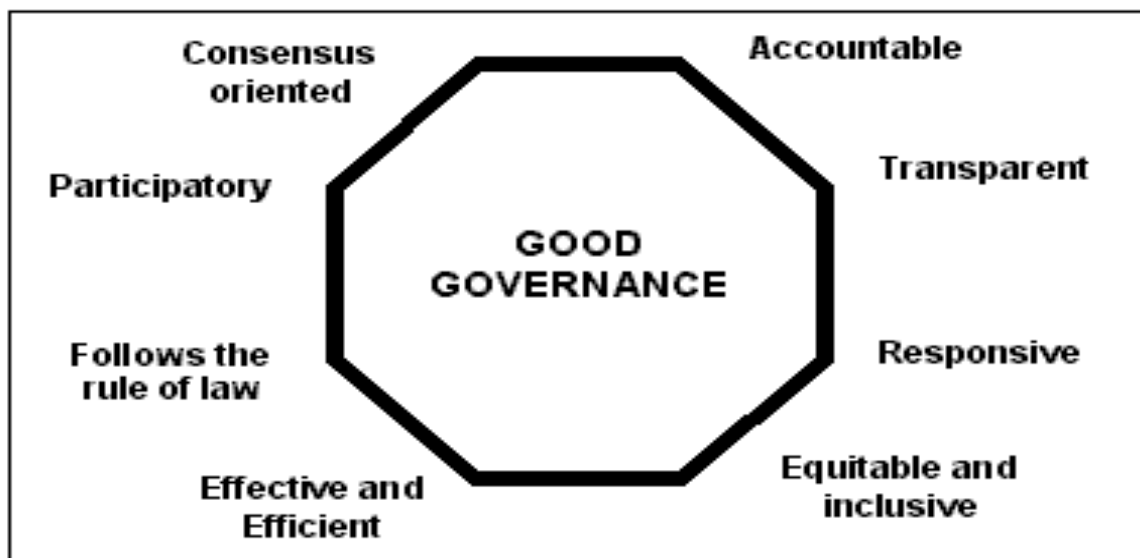


Figure 1: Characteristics of good governance

As regards sustainable development; it has been defined by the 1987 United Nations Brundtland report as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”. Sustainable development implies economic growth together with the protection of environmental quality, each reinforcing the other. The essence of this form of development is a stable relationship between human activities and the natural world, which does not diminish the prospects for future generations to enjoy a quality of life at least as good as our own. In the light of this, many observers believe that participatory democracy, undominated by vested interests, is a prerequisite for achieving sustainable development (Mintzer, 1992).

Purpose of Budgets

Generally, budgets are designed to achieve some purposes. Thus, Shillinglaw (1977) identified the purpose of budgets in any organization as;

- (a) To force the managers to analyze the organization’s activities critically,
- (b) To direct some of management’s attention from the present to the future
- (c) To enable management to anticipate problems or opportunities in time to deal with them effectively,
- (d) To give managers a continuing reminder of the actions they decided upon,
- (e) To provide a reference point for control purposes.

From the above, it is evident that budgets are essential instrument for guiding and directing organizations and governments spending as well as help to measure the effectiveness of their actions and activities over specific period of time.

Theoretical Framework

One of the basic features of social science scholarship is the adoption of theory in analyzing, examining and explaining a phenomenon. Thus, this study is anchored on Marxist Theory of State. This theory was developed by Karl Marx and Frederick Engels in reaction to the western liberal theory of the state which emphasized that the state is a neutral observer that caters for the overall interest of every member of the society. In contrast, Marx and Engels in their *Manifesto of the Communist Party*, viewed the origin of the state from a materialists and point; in their view the state is the product and a manifestation of the irreconcilability of class

antagonisms (Lenin, 1984). They emphasized that the state emerged as a response to the division of society into classes, occasioned by the rise of private property. To this end, the state which arose from the conflict between classes is as a rule, the state of the most powerful and economically dominant class, which by this means also becomes the politically dominant class and thus acquires new means of holding down and exploiting the oppressed.

Hence, according to Marx and Engels “the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.” It is the organizing committee of the ruling class, an instrument through which the ruling class coordinates and exercises its rule of the other classes, and thereby maintains its status as the ruling class. The state (along with its police, military and bureaucracy), therefore, is fundamentally an instrument of class domination. It is used by the bourgeoisie to exploit the common people, that is, the proletariat. The core idea of this theory is that the state is used as an instrument for the fulfillment of interests of a particular class or section of society. This theory, in essence, posits that the society is divided into two main classes: the minority ruling class, who controls both the economic and political power of the society, and thus, dominates and exploits the governed, the dominated and exploited working class, who have neither economic nor political power, and who are in the majority. The state in this society mainly functions as an instrument of class domination, with which the ruling class protects itself and exploits the working class.

It is therefore deducible from the propositions of this theory that the reluctance of the ruling class in Nigeria to democratize budgetary process through effective participation of the ruled (the masses) is largely because the ruling class depends on the budget to corruptly enrich themselves, which is their main instrument of dominance on the masses without which it will be very difficult to exert their dominance on the society. Therefore, the budget is too important to them to be allowed for the citizens to dictate and direct its course. For the ruling class, an open and transparent budgetary process is unhealthy and unsafe for their continuous dominance.

Examples of cases where the ruling class uses the instrument of budget in furtherance of their interest at the expense of the masses are not far-fetched. The 2016 ‘budget padding’ scandal that rocked the House of Representatives is a good example of how the ruling class, over the years, has been using the commonwealth for personal aggrandizement, while the masses suffer. Also, the concerted efforts of the present administration of Muhammadu Buhari to reduce the cost of governance by reducing the remuneration of the political class to cater for other government functions has constantly been frustrated by the ruling class largely because, the instrument (budget) through which that can be achieved is controlled by the ruling class. The controversies that greeted the passage of the new Minimum Wage Bill in 2019 obviously pointed out the elite manipulation and domination of fiscal policy (budget). Even after its passage, the bill is yet to see effective implementation in many states of the federation.

In furtherance of this theory, it is apparent that the narrow range of interest of the Nigerian bourgeoisie would always stand contrary to that of the exploited members of the society. In the light of this, it is only logical that the dominant class will not be favorably disposed to the emergence of anyone that may upset the power balance.

Process of Government Budget Preparation in Nigeria

The budget process is a system of rules governing the decision-making that leads to a budget, from its formulation, through its legislative approval, to its execution and evaluation (Ekeocha, 2012). Usually, the budget cycle itself is a year-round process involving formulation

(establishing budgetary policies, parameters and allocation priorities) by the executive, legislative approval by the Parliament, implementation involving Government Ministries, Departments and Agencies (MDAs) and even Civil Society Organizations (CSOs), and evaluation and audit including the role of the Auditor-General (Iloh and Nwekodi 2016). Essentially, most countries follow the same processes in their budget administration. Budget undergoes some processes before it becomes both a law and an economic. It refers to the totality of the processes a budget passes through before it finally becomes a document. Basically budget preparation in Nigeria undergoes four different stages. They are;

- (a) Formulation,
- (b) Enactment,
- (c) Implementation,
- (d) Auditing.

At the formulation, budget proposals from various ministries, departments and Agencies (MDAs) are aggregated and merged by the Ministry of Finance. This is usually called the draft budget. In this stage, it is the duty of the Ministry of Finance to present the draft budget to the President for approval. The President then presents the draft budget, with other supporting documents, to the National Assembly, usually at a joint sitting of the Senate and the House of Representatives, for scrutiny and approval.

Suffice to say however, that at this stage of the budget process, there is hardly any room for public participation, as the activities at this stage are conducted within the executive. The citizens are not given the opportunity to make inputs into the formulation of the budget, neither is there a forum for engaging with them to determine their priorities for the fiscal year.

The second stage of budget preparation is the approval or enactment stage. At this stage, the draft budget developed by the executive will be sent through the President to the legislature for approval. The budget is considered separately by the House of Representatives and Senate of the National Assembly in accordance with the legislative practice and procedures, mostly through the Appropriation Committees. It is up to the national assembly to approve, modify or rejects the Bills. This stage involves each ministries, departments and agencies to defend their proposals in relation to their programmes. The house debates the bill and makes modifications where necessary. After the house must have considered and reconciled the budgets estimates in the light of national economic and priorities then the appropriation committee is brought for appropriation purposes. Such Appropriation bills if passed will be sent to the President for his assent. Once the president assents to the bill, it becomes an Act of Parliament which will be printed and distributed to ministries, department and agencies in form of approved estimates.

While unlike other stages, this stage of budget preparation gives rooms for citizen participation; such participation does not go beyond attending budget reading and hearings. There are no well-articulated modalities to enable members of the civil-society to make substantial contribution to the budget debate within the legislature.

After budget must have been approved by the legislative houses, the next stage is implementation. This involves the actual usage of the public funds in carrying out the activities and projects that have been enumerated in the budget. The importance of this stage is underscores with two major factors. Firstly, it is the stage when each ministries, department and agencies give flesh to its developmental goals and strategies. Secondly, the stage is expected to be carried out by effective monitoring by the concerned committees of the legislative houses and other organs government parasstatals that are responsible for such.

Similar to situation in other stages, this stage proceed with the citizens are mere onlookers. That is, the citizens are neither aware of when funds are released by the Ministry of Finance to the respective MDAs nor do they have any mechanism for monitoring the implementation of the budget (Iloh and Nwekedi (2016).

The last stage of the budget process in Nigeria is the auditing stage otherwise known as the evaluation stage. Procedures and processes in this stage are usually dictated by the office of the Auditor-General of the Federation and that of the Accountant-General. Pursuit to the Section 85 (2) and (5) of the 1999 Constitution of the Federal Republic of Nigeria as amended, the Accountant-General of the Federation is required by law to prepare and submit to the Auditor-General at the end of each financial year the Annual Financial Statements showing fully the financial position of the Government on the last day of each year. The Projects Audits Department of the Office of the Auditor-General is charged with the responsibility of monitoring and evaluation of Federal Government's capital projects, capital releases and implementation of Government budget thereof. Other Departments in the Office handle other aspects of the audit work. The Auditor General at the end of the financial year, also submits to the National Assembly, the audited accounts of the Government, for its scrutiny. Like the other stages, there is no avenue for the public to participate in the budget process at this stage.

It is deducible from these four stages of budgetary process that budget in Nigeria is nothing but a shared responsibility of both the executive and the legislative arms. The processes are not made open to the public; neither does it accommodate the input of the members of the civil society on which the provisions of the budget are implemented upon. It therefore becomes extremely difficult for the 'common' man to know what the budget has for him in a fiscal year. The process appears shrouded in secrecy thus making it an entirely elitist agenda. This sorry condition does not only negate the tenets of democracy, it also constitutes a cog to sustainable development. If it is a truism that democratic governance is defined by its participation, inclusivity, and transparency, a supposedly democratic government like ours must provide opportunities for public engagement in its fiscal policy.

Challenges of Public Budget in Nigeria

Many problems have bedevils the public budgets in Nigeria. This is largely because budgetary processes in Nigeria have been abandoned to the whims and caprices of bureaucrats and politicians. Thus, public budgets in Nigeria have been fraught with a lot of challenges such; extra-budget spending, large government deficits financed largely by monetary growth, large recurrent spending and debt service costs, poorly conceived projects and programmes, poor linkage between spending and development priorities, poor accountability and transparency, low level of implementation of the capital budget, and reliance on largely manual and outdated procedures. Consequently, it has not been possible for the budget to perform its role effectively not only in terms of resource allocation and contribution to economic growth and development but also in bringing the gains of democracy closer to the citizens Some of these problems are discussed below.

(i) Extra-budgetary Spending: The aim of preparing budget is to have a guide on revenue generation and spending so as to prevent unsustainable spending. Thus, every arm and agencies of government prepares its own budget for fiscal years and they are not expected to spend above approved limits. However, some agencies go against this and spend money which has not been approved for them. Such budget deficit creates problems for budget implementation in the next fiscal years because the concerned agency(s) need to first settle its carry over debt before executing the actual projects.

(ii) Poorly conceived projects and programmes: One major problem of budgetary process in Nigeria is that most projects that were to be and implemented are poorly conceived. This is

often because, budget itself emanates from the government rather from targeted groups. By this, it means that the budget planning is vertical or top-down. And by implication, the target beneficiaries are not allowed to contribute to the formulation of the policies that affect their lives.

(iii) Poor linkage between spending and development priorities: Under reporting on projects status, some of the government agencies that execute projects in Nigeria tends to intentionally lower their progress reports on projects they are handling so that they can continue to inflate costs and collect more money from the government. Some even go as far as quoting significantly higher amount than they have actually spent on such projects.

(iv) Poor accountability and transparency: Lack of transparency and accountability stands at the top among the challenges of public budgetary process in Nigeria. Budgetary process in Nigeria is often carried out secretly. This often happen at every process of the budgetary. At the preparation process, the various ministries, departments and agencies make a draft for the next fiscal year. This is often done without the knowledge of the public on which the provisions of such budget will be implemented. This clandestine arrangement allows for over bloating. The relevant government agencies that are supposed to display the breakdown of the budget will not do so until much later in the year when the budget is far spent and when public interest has waned.

(v) Low level of implementation of the capital budget: While public budgets in Nigeria have been plagued with myriads of problems from realizing its goals, the problems of implementations has been on the ascendancy. Egonmwan (1991) cited in Ezenwafor (2011) noted this when he described budget implementation as the graveyard of policy (budget) where the intentions of the policy formulators are often undermined by constellation of powerful forces of politics and administration in cooperation with people. Thus, every Nigerians hear of trillion of naira budget by all tiers of government. But at the end of the year, people are always at a loss as to where the monies were invested. As such, budget that were described by government I laudable terms usually end up resulting in decreased standard of living for the average Nigeria. In sum, there are always wide disparity between budget proposal and accomplishment in the country.

(vi) Weak monitoring, auditing and reporting: Often times when projects are approved and money is disbursed, there is not proper monitoring mechanism in place to ensure that the money is judiciously used. This has created a cover for corrupt politicians and government official to hide under and divert government funds. These projects that are not carried out are then reinserted into the next budget for another fiscal year and funds are again approved for them. This creates an opening through which government funds are continually siphoned.

(vii) Poor Public Participation in the Preparation and implementation Process: The primary role of government is to carry out projects and activities that are aimed at improving the quality of lives of citizens in the country. It is therefore important that citizens through civil societies and organization are involved in the entire budgetary process. This will ensure that projects to be covered by the budget are essential project that will have the most impact of living conditions of the citizen for whom the government exists for. Regrettably, the process of budget preparation has been alienated from the citizen. As noted by

(viii) Corruption and Mismanagement: Corruption is one of the major problems facing public budget in Nigeria. This often takes the different forms such as diversion of funds, inflation of funds, embezzlement and unplanned execution of projects. *The Guardian* of March 27, 2017 contained an allegation, for example, of the members of the House of Representatives that padded the 2016 budget in Nigeria. That was just one of the hundreds if not thousands budget and contracts inflation that occurs in government circles.

Prospects of Democratized Budgetary Process for Good Governance and Sustainable Development

This section examines the processes of budgeting in Nigeria, vis-à-vis the imperative of democratizing budgetary process through effective participation. It argues that with the nature and character of the Nigerian state, it is unlikely that the ruling class in Nigeria would allow the practice of participatory budgeting in the country. However, drawing largely from the problems of budgetary process in Nigeria especially at the level of implementations, this study argues that citizens' participation in budget processes is the panacea to the series of problems being encountered in the budgeting system in Nigeria. The benefits of democratizing budgetary process include the following;

1. Fiscal Accountability and Transparency

The contemporary democratization requires a democratic government that is not only accountable to the citizenry but that is also subjected to restraint. Thus, accountability and transparency constitute core values of democratic governance.

Transparency in the context of this study implies to the release of information about the provisions of a budget and by providing easy public access to information on its implementation workings. This information will citizens to demand certain standards, to monitor service quality and to challenge deviation from the provisions of a budget. Thus, improving citizen access to information and giving citizens a greater right to action can reduce corruptions which have over years been associated to our budgetary process.

In a words, opening up budget processes for public involvement enables the public to hold government officials accountable: scrutinize budget activities; gauge the extent to which spending is supporting social and economic commitments; and restrict opportunities for governments to hide unpopular, wasteful and corrupt spending.

2. Provision of Essential Services

One of the major challenges of budgetary process in Nigeria is the poorly conceived project. This is because, the process of budget preparation denies the citizens the opportunity to identify and prioritize the projects and programmes they need for the fiscal year. As noted by Iloh and Nwekedi (2016) "budgeting in Nigeria is seen as an exclusive responsibility of the executive and legislative arm of the government". Thus executive and legislature assumed better knowledge of the problems and priorities of the citizens more than the citizens themselves, and as such, completely sideline them in the preparation of the budget and in its implementation too. Such detachment created a situation whereby projects and programmes that do not have direct and positive impacts on the citizenry are captured in the budget and subsequently implemented. Thus, several projects that are carried out does not in most cases reflect the interest and need to society.

This view was further articulated by Folscher (2007) who posited that citizens' participation in the allocation and use of local public funds can enhance development outcomes because, they have the best knowledge of their needs, their preferences, and local conditions. He continue, their participation in budget decision making makes it more likely that available funds will be used to deliver the goods and services most needed.

Participation therefore will ensure that only projects and programmes that have direct impact on peoples' lives are budgeted for. This will reduce the incidence of governments embarking on white elephant projects that only serve the interest of the ruling class, since it is from such projects that they corruptly enrich themselves.

3. Effective Implementation of Budgets provisions

As noted earlier, the problem associated with public budget in Nigeria arises at the implementation state. This is according because, the government having alienate the citizens during its (budget) preparation stage, do not deem it necessary to stick to the budget provision

during implementation. Thus, an open and transparent budget allows for the citizen to play a monitoring role. This can only be the case if they had been involved in the processes from the early stages.

4. Effective Monitoring and Auditing

Another benefit of open and participatory budgeting is that it allows for effective monitoring and auditing. Iloh and Nwekodi (2017) alluded to this when they averred that “participatory budgeting creates opportunities for citizens to understand and relate to the budget as an instrument for influencing and monitoring service delivery and government performance, creating an environment where citizens can make demands both on how money is generated and how it is utilized” For this reason, since the citizen will be equipped to be a stakeholder in the budgetary process, the recurrent questions of extra-budget spending, mismanagement and recurrent expenditure will be reduced to the barest minimum.

5. Corruption and Clientelism:

Another related benefit that an open and transparent budgeting offer is its tendency to curtail corruption and clientelism that do plague the implementation of public budgeting in Nigeria. Often time,

In a nutshell, democratization of budgetary process has the potential to enhance good governance and sustainable development. This is because such participatory practice offers congenial environment for democratic traditions to find genuine expression. Nevertheless, if a democratic budgeting process is to achieve its aims in Nigeria, it needs proper socio-political, legislative and economic settings. Furthermore, it must be understood clearly that it is a means not an end. In its proper context, a democratic budgeting process is a prerequisite for effective participation by the legislature and civil society; and it encourages better decision-making by governments and provides a check on the behavior of policy-makers, that is, accountability.

In brief, some of the prerequisites for successful democratic budgeting process/practices are:

i. Political will and commitment. This includes ownership of the overall development agenda by leadership, rather than waiting for guidance from abroad. The State must create the legal and regulatory environment for fiscal transparency and accountability. Further indicators of will and commitment would be (a) setting the agenda to democratize the formulation of macroeconomic policy frameworks; (b) building up the capacity and knowledge base of the citizenry on issues related to budgets; and (c) institutionalizing regular access for social groups in decision-making laws.

ii. Commitment to fighting corruption and mismanagement. There must be, inter alia, a strong resolution from the leadership and society at large for fiscal transparency to succeed.

iii. Strong legal framework and enforcement mechanisms. Successful democratic budgeting process needs explicit constitutional, legal and regulatory backing. Additionally, enforcement mechanisms need to be in place and applied effectively.

iv. Citizen participation. The basic premise for citizen participation is that citizens, NGOs and CBOs have a right to know and determine how public revenues are collected and spent. Participation in decisions regarding budget allocation, spending patterns, and public service delivery is a key entry point for civil society and donor engagement in choosing public actions. Necessarily, participation and transparency lead to, and reinforce each other. In addition, representative institutions such as parliaments or district Assemblies also have a role in the budgetary processes through parliamentary debates and their votes on budget. However, sometimes the role of such representative institutions can be limited because of the type of governance framework of a country.

v. Addressing capacity constraints. Making information available to a public that does not understand it defeats the aims of democratic budgeting process. Additional to making

information accessible and understandable, government and CSOs need to ensure fiscal literacy of the intended recipients of the information. Training NGOs to engage in budget work is deemed important because of the role they can play in increasing government transparency and accountability to the electorate. Strengthening CSO capacity to engage in public policy and resource allocation debates provides checks and balances to ensure that government makes the right interventions in the most cost-effective manner.

6. Freedom of expression and of the media. The media's involvement in covering national budgeting processes and potential corruption also results in important avenues for citizen access to information. Although many reporters cannot make an informed analysis of budgetary policies, the media can be an effective ally in sparking debate among the general public and eliciting responses from the government.

Conclusion and Recommendations

This study examined the budget process in Nigeria, vis-à-vis the challenges that marred public budgets in Nigeria. The study problematized that the secrecy that surrounds budgetary process in Nigeria has hampered the fiscal documents from achieving its objectives. The study therefore concluded that the myriads of problem affecting budgetary system in the country will be addressed if its process is made open, transparent and participatory. Without this, good governance and sustainable development will be tantalized in Nigeria. In order to achieve this objective, the study therefore advances the following recommendations.

i. **Involvement of Stakeholders:** Budget is the collective responsibility of all stakeholders and not just of the implementing MDAs. Therefore, other key stakeholders such as the citizenry, Legislature, Civil Society, Organized Private Sector and the Media should be actively involved in budget preparation, implementation and monitoring to enhance budget transparency, openness and credibility.

ii. **Importance of Planning:** MDAs should properly plan for their projects and programmes to improve the prospects for effective budget implementation and reduce the incidence of abandoned projects.

iii. **Accelerated Budget Appropriation:** To address the issue of late passage of the Appropriation Bill into law, the budget preparation process should commence early in the fiscal year and key stakeholders such as the parliament should be actively involved early on in the process as this will allow for the accelerated passage of the Bill when it comes before the Parliament.

iv. **Adequate Budget Provision:** To address the issue of inadequate budgetary provisions for projects/programmes, proper planning and costing should be carried out by MDAs to ensure that adequate provisions are made for their activities in the budget.

v. **'Overloading' the Budget:** To address the issue of MDAs requesting for budgetary provisions for projects in excess of what they can spend in a fiscal year, MDAs should phase their funding requests in line with their project work-plans and proven executive capacity. Only components of their projects that can be implemented within a fiscal year should be budgeted for in that year. This would then free up resources that can be used to finance other projects and programmes.

vi. **'Overloading' Contractors:** MDAs should avoid assigning multiple projects to the same contractors in excess of their capacity to execute these contracts, as this practice could result in delays in project completion and increase the incidence of abandoned projects and failed budgets.

vii. **Technical Capacity to Implement the Budget:** There is need for the systematic training of project managers, budget officers, procurement officers, monitoring and evaluation officers etc., on various technical processes and requirements relevant to their work so as to strengthen their capacity to effectively implement the Budget.

- viii. **Budget Awareness/Accountability:** Budget Implementation Workshops should be encouraged at the State and Local Government levels as a way of raising awareness, increasing stakeholder involvement in the budgeting process and ensuring accountability of those charged with budget implementation.
- ix. **Improved Public Service Incentives:** The Government should consider ways to improve Civil Service incentives, expand training opportunities and otherwise motivate and equip civil servants to carry out their duties effectively.
- x. **Inappropriate Behavior by MDAs:** MDAs should be discouraged from lobbying for increases in budgetary provisions for their projects beyond what has been agreed as part of the Executive Budget Proposal.
- xi. **Appropriations to be based on Performance:** MDAs should be encouraged to fully implement their budgets as passed by the Legislature and in accordance with their project work-plans. Those MDAs that do not fully implement their budgets may have smaller resources appropriated for them in favor of better performing MDAs. Such performance can be assessed with the help of the citizens.

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