From budget padding to budget scrutiny? National Assembly-executive relations in the budget process

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From budget padding to budget scrutiny? National Assembly-executive relations in the budget process.

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Abstract:
Relations between the National Assembly and the executive in the budget process have commonly been depicted as confrontational with media reports often focusing on the phenomenon of 'budget padding'. In this paper, however, I argue that this focus draws attention away from budgetary scrutiny and profound questions on needs assessment, implementation gaps, and oversight. Drawing on budget and interview data, this policy-focused paper assesses how the National Assembly (NASS) and the Ministries, Departments and Agencies (MDA) jointly produce budget inefficiency and ineffectiveness, and offers suggestions to address these.

1. Introduction

Nigeria's National Assembly (NASS) has adopted an assertive stance in the budget process. This has led to sometimes antagonistic relations with the executive, which are regularly reported on by the media (e.g., Akinkuotu et al., 2022; Sahara reporters, 2021). The phenomenon of 'budget padding' takes centre stage in these discussions. Nigerian lawmakers commonly introduce new capital projects in the federal budget (typically directed to their constituencies) and hence tend to inflate expenditure. They can also reduce the funding to existing capital projects or delete them to create further budgetary room for new, 'own' projects. This practice is heavily criticized by the president and can lead to a standoff on the budget as was the case in 2016. While the presidency links budget changes to corruption and self-serving interests of lawmakers—hence the term 'padding'—Members of Parliament (MPs) counter by stating they

[1] The author was visiting fellow at NILDS in the period September-October 2022. The author is grateful to the institute for this opportunity and to the Catharine van Tussenbroek Foundation for providing her with a travel grant (B-2021-06) to conduct the research visit.

are representatives of the people and know their constituents' needs better. The parliament appears to win the standoff as every budget year the president is left with no choice to approve the NASS's budget if government wants to continue functioning. The legal power of the NASS to make such changes to the budget has been challenged, but the matter has not been brought before the Supreme Court as of now.

Yet while capital expenditure changes are an important element characterizing assembly-executive relations in the budget process, I argue it is not the only element that needs to be considered. Indeed, the strong focus on capital expenditure plans by both the NASS and the media may even stand in the way of attention to other elements worthy of scrutiny, in particular achieving revenue targets, proper needs assessments, and consistent and timely budget implementation.

Drawing on budget data, 12 interviews with MPs, 1 interview with a senior legislative aide (SLA), and 7 interviews with senior civil servants in multiple Ministries, Departments, and Agencies (MDAs)[2], this paper assesses the challenges with the budget process in Nigeria, focusing on both well-known, mediatized challenges, and lesser-known gaps. Empirically, I focus on President Buhari's two terms in office (2015-2023). I first draw on available budget data to pinpoint current challenges in the budget process in the next section. This is followed by a section in which I primarily draw on interview data to highlight diverging NASS-executive perceptions on the budget and policymaking in general, and evaluate the claims by both sides in this often antagonistic relationship.

2. The budget process in Nigeria: a quantitative assessment

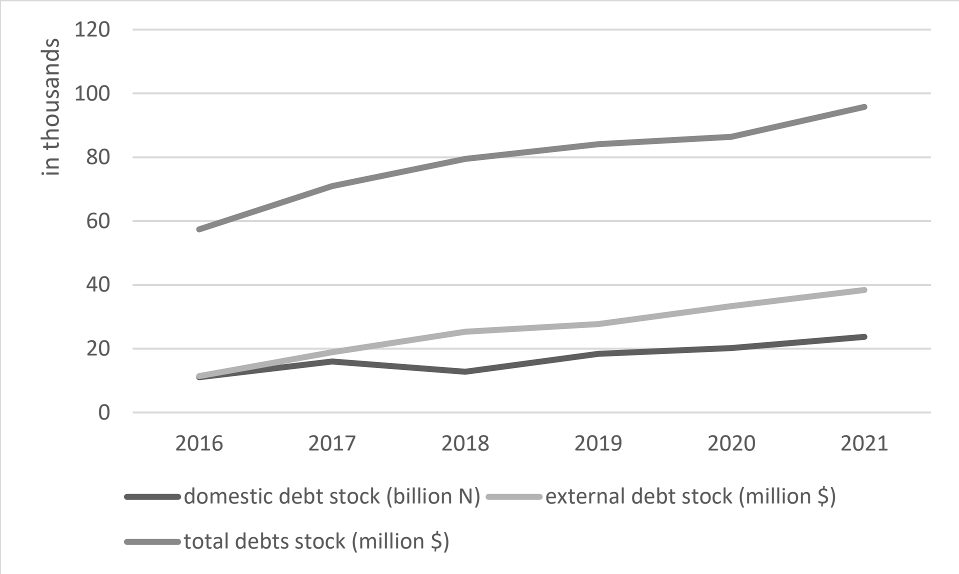
Since President Buhari came to power mid-2015, Nigeria's economy has faced important challenges, including negative economic growth in 2016 and 2020 (World Development Indicators, 2022), a weakening naira, and high levels of inflation.[3] As a developing country where government revenues are highly dependent on the global oil market, the drop in international oil prices in 2016, the covid crisis starting in 2020, and the Russia-Ukraine war starting early 2022 are important external factors explaining the fragile state of the Nigerian economy and increasing federal government debt over the years (see Figure 1).

Nevertheless, the budget process is also subjected to challenges emanating from domestic policymaking. I first focus on the budget cycle and the obstacles for maintaining the

[2] Data were collected in the period September-October 2022.
[3] When looking at GDP per capita growth, Nigeria recorded negative growth throughout 2015-2020, with positive growth only recorded in 2021.

fiscal year timeline. Then I compare budgetary projections by the executive, NASS changes to the appropriation bill, and the realized budgets to highlight key gaps in the planning process.

Figure 1: Federal government debt (2016-2021)



Source: Budget implementation reports by the Budget Office of the Federation, https://www.budgetoffice.gov.ng/, collated by author.

2.1. Blame games in the budget timeline

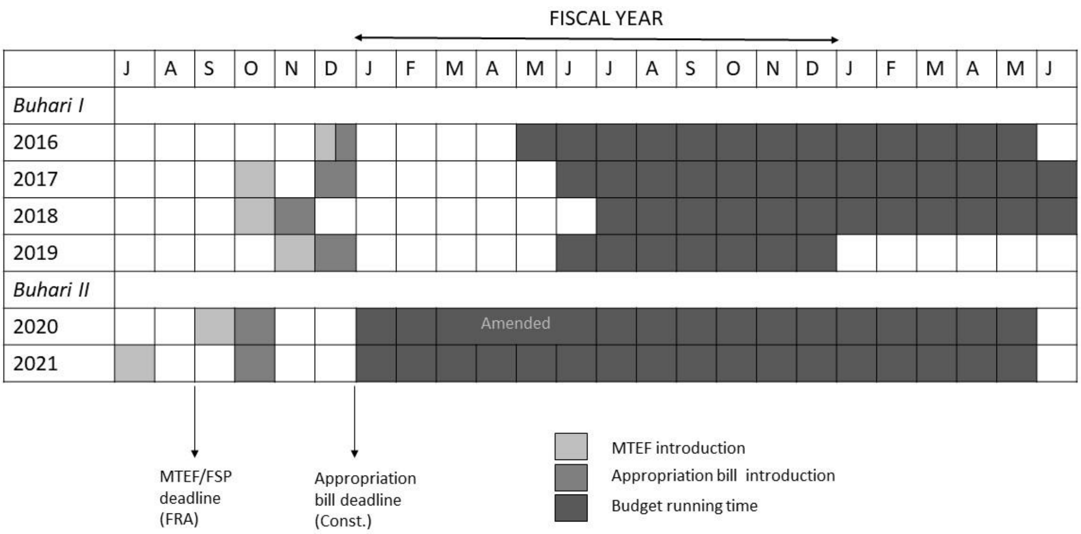
The incongruity of the budget cycle with the fiscal year is identified as one of the thorny issues characterizing NASS-executive relations on the budget, also prior to the Buhari regime (Sam-Tsokwa & Ngara, 2016). Where the president would complain the NASS is not swift enough in passing the budget, the NASS commonly counters that the executive brings the appropriation bill too late to the Assembly. Important changes have occurred over time, however. Especially in Buhari's second term, greater cooperation is seen between the NASS and the president on the timing of budget presentation and passing (though not the padding phenomenon, see below). This is related to the emergence of an 8th NASS (2015-2019) leadership adversarial to the president (regardless of belonging to the same All Progressives Congress (APC) party), while the leadership of the 9th NASS (2019-2023) is known to be closer to the president (Demarest, 2021, p.690).

The constitution sets the deadline for the president to introduce the appropriation bill in the 'previous fiscal year'. Hence, while parliaments commonly need at least two months to pass a budget (Sam-Tsokwa & Ngara, 2016), the president can introduce an appropriation bill until the 31st of December. Even before Buhari came to power, Nigerian presidents have typically been late in introducing the budget, leading to an approval of the budget well into the next year

(Ibid.). The Fiscal Responsibility Act (FRA) of 2007 does require the president to introduce a Medium-Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) covering the subsequent three years, four months before the end of the fiscal year to the National Assembly. Both the Senate and House need to pass the MTEF/FSP with a resolution before the appropriation act can be approved.

Figure 2 shows the timelines for the budget for the period 2016-2021. We see that in Buhari's first term, the appropriation bill was introduced late. Similarly, the MTEF/FSP was not sent to the NASS in time during this term. In turn, the budget was only approved late by the NASS, and assented to by the president well into the next fiscal year. Given that not all expenditure was done in time (see below), the president has regularly asked the NASS to extend the capital expenditure budget into the next fiscal year, at times running into June. With the 2019 budget, the president had the objective to return to the fiscal year cycle (which could not be sustained as can be seen from Figure 2), but many capital expenditure projects were not achieved and subsequently rolled over into the 2020 budget.

Figure 2: Budget timelines (2016-2021):



Source: collated by author from media reports. The 2020 budget was amended during the first quarter due to the covid crisis.

During Buhari's second term, the executive clearly improved its own efforts to introduce the MTEF/FSP and appropriation bill early enough.[4] More harmonious relations between the executive and the NASS are also seen in the timely approval of the budget. Yet the practice of extending the capital expenditure has remained. This reveals that the underlying problems with capital expenditure are not solely or primarily due to late approval of the budget.

2.2. NASS changes to the budget

I now turn to changes made by the National Assembly to the president's revenue and expenditure projections. Table 1 shows for the period 2016-2021 the estimates introduced by the president in the appropriation bill, the estimates in the appropriation act (I consider changes relative to the president's proposal to be the effect of NASS interventions), and the actual revenue realized at the end of the fiscal year as well as the expenditure realized at the end of the budget running time (which can extend into the next fiscal year for capital).

Table 1: Revenue and expenditure in trillion naira (2016-2021)

	2016	**2017**	**2018**	**2019**	**2020 (as amended)**	**2021**
Revenue						
Proposed	3.86	4.94	6.61	6.97		7.89
Acted	3.86	5.08	7.17	7.00	5.37	8.12
Realized, end of fiscal year	2.95	2.66	3.48	4.12	3.42	4.64
Expenditure						
Proposed	6.08	7.30	8.6	8.83	10.51	13.08
Acted	6.07	7.44	9.12	8.92	10.81	13.59
Realized, end of budget running time	5.29	6.46	7.44	8.30	10.37	12.26

Source: Presidential budget speeches and budget implementation reports by the Budget Office of the Federation, collated by author. Some discrepancies in numbers were noted but do not affect the overall conclusion. The proposed revenue estimate for the 2020 amended appropriation bill could not be found.

On the revenue side, we find that the National Assembly typically increases the government's revenue assessment. This is a corollary to the increases made to expenditure, concentrated in capital projects. In terms of timing, there appears to be some evidence of a political business cycle model (Nordhaus, 1975) with revenue and expenditure changes by the National Assembly

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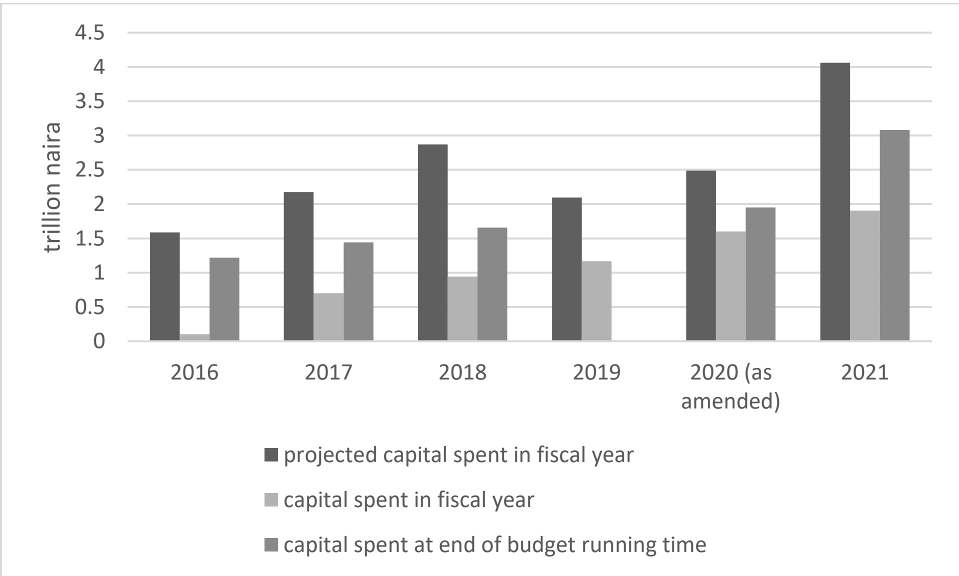
[4] The 7th and 8th NASS had called for three months in advance, this appears to be adhered for the 9th NASS with the presentation in early October.

increasing in those years lawmakers are seeking to secure a ticket in competitive primaries (Demarest, 2022). As can be seen from Table 1, the largest changes between the proposed and acted budgets were in 2018 and 2021. Even with a more cooperative 9th NASS, changes to the budget remain common, or as one lawmaker put it: *"the NASS leaders are considered friends now, but that could make it worse as it can be harder to say no to friends"* (MP1).[5]

Comparing the acted budget to the realized budget reveals the stark discrepancies between what is achieved and what has been projected. On the revenue side, the government has struggled to achieve even 50% of its estimates. Extra loans to cover the deficit are approved by the National Assembly but lead to even more government debt than initially projected. The gap between projected and realized expenditure is smaller, but this does not imply that government has generally achieved its budgetary objectives. For capital projects in particular, realized expenditure lags behind projected expenditure (Figure 3).

Figure 3: Projected and realized capital expenditure (2016-2021).



Source: Budget implementation reports by the Budget Office of the Federation, collated by author. The budget running time of 2019 overlaps with the fiscal year.

Importantly, the gaps between the projected and realized revenue and expenditure cannot be attributed solely to the changes made by the NASS. The upward changes to the budget in the appropriation act increase the gap between projection and reality only by a fraction. If we compare the estimates proposed by the government in the appropriation bill to the realized

[5] Quotes are based on notes as no recordings took place because of social desirability concerns.

estimates, clearly revenue is still lagging by a serious margin, while expenditure remains incompletely implemented.

Drawing on the above, I argue that while much public attention is devoted to budget padding by the Assembly and conflicts between the executive and parliament on this matter, further serious concerns can be raised about the budget process. In sub-section 2.3., I delve into the revenue generation side and call for more scrutiny by lawmakers and media actors on revenue projections. In Section 3, I delve further into challenges on the expenditure side of the budget.

2.3. Federal government revenues and oil dependence

Table 2 breaks down projected and realized revenue in the period 2016-2021 into oil and non-oil revenue. These comparisons show that revenue projections in 2016 were mostly correct for oil revenue but deviated strongly for non-oil revenue. Yet over time, non-oil projections became more accurate while oil revenue projections tended to deviate strongly. Therefore, I focus mostly on oil revenue projections and its problems in the rest of this sub-section.

Table 2: Oil and non-oil revenue in trillion naira (2016-2021)

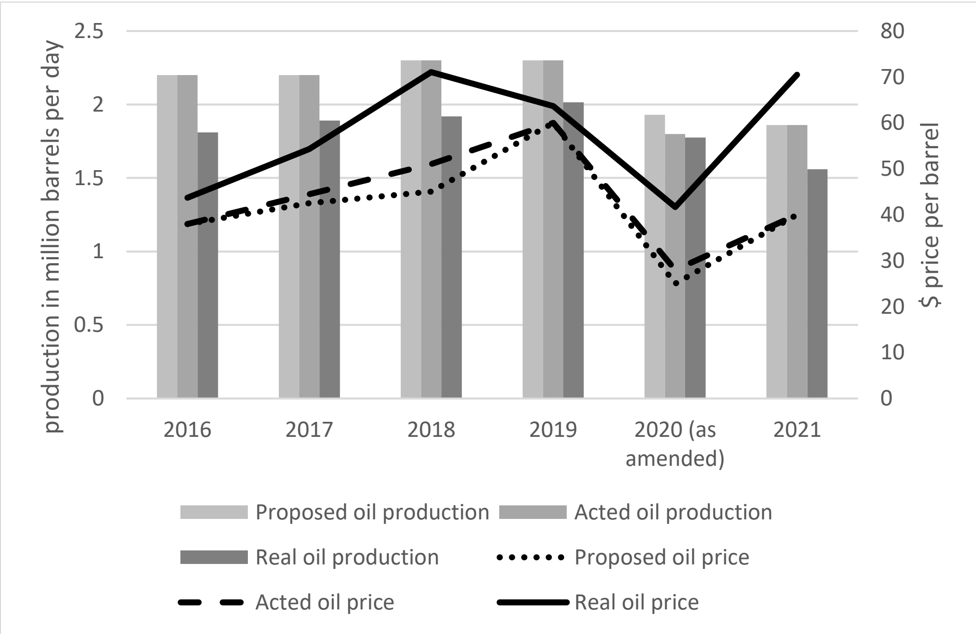
	2016	**2017**	**2018**	**2019**	**2020 (as amended)**	**2021**
Oil revenue						
Proposed	0.82	1.99	2.44	3.73		2.01
Acted	0.72	2.12	2.99	3.69	1.01	2.01
Realized, end of fiscal year	0.70	1.13	1.96	1.37	1.41	0.99
Non-oil revenue						
Proposed	1.45	1.37		1.39		1.49
Acted	1.57	1.41	1.63	1.50	1.62	1.49
Realized, end of fiscal year	0.82	0.96	1.12	1.58	1.26	1.65

Source: Presidential budget speeches, media reports, and budget implementation reports by the Budget Office of the Federation, collated by author. Some discrepancies in numbers were noted but do not affect the overall conclusion. The proposed revenue estimate for the 2018 appropriation bill and the 2020 amended appropriation bill could not be found.

I first focus on the question of which parameters the federal government and NASS are getting wrong in their projections of oil revenue. Figure 4 shows the proposed, acted, and realized oil price and production per year. This shows that while the NASS has at times introduced a higher oil price—often to be able to increase revenue estimates and create budgetary room for more projects—this increase does not actually pose too much of a concern as the realized oil price has always been higher than the federal government's conservative projection.

Figure 4 also shows that the NASS never adjusts the oil production upward, but that the realized production has seriously lagged behind the projections, explaining oil revenue shortfalls to an important extent. Oil production of more than 2.3 million barrels per day was achieved in the years prior to 2015 (Worldometer, 2022), but since then such projections have been far removed from reality. The government can be faulted on this, both for hanging on to unrealistic production estimates, but also for not being able to lift production to sufficiently high levels. Parliament can be criticized as well, however, as government production estimates have been insufficiently challenged by a NASS overly focused on expenditure and capital projects.

Figure 4: Projected and realized oil price and oil production (2016-2021).

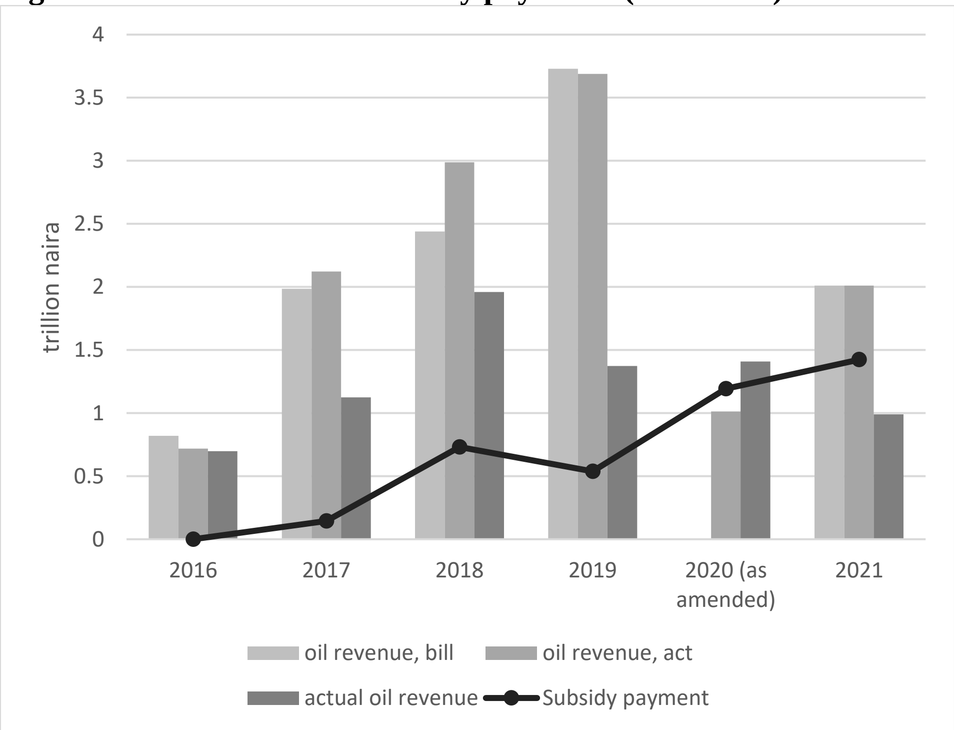


Source: Budget implementation reports by the Budget Office of the Federation, collated by author.

But a failure to reach oil production targets also does not fully explain why oil revenues have been so low. Another important explanation lies in the effects of the fuel subsidy. For political reasons, the subsidy has been kept of the budget projections and, as a result, out of appropriation debates for a long time. When President Buhari came to power in 2015, he had vowed to scrap the Petroleum Support Fund (Ibekwe, 2015). And indeed, in 2016 it appears no subsidy was paid, partly due to the low international oil price. Yet as oil prices increased over time, pressure for subsidy payments also increased, and while the government denied for a long time the subsidy was paid, later statements reveal that subsidy payments returned in 2017 and have grown rapidly in subsequent years.

Instead of keeping the Petroleum Support Fund as an expenditure line in the budget, the federal government effectively hid the costs of the subsidy by subtracting it directly from the Nigerian National Petroleum Corporation (NNPC) incoming revenue (see Budget Implementation Reports) and incorporating the costs in a budget line termed 'under-recovery' at the level of the NNPC (Olawoyin, 2021). In his 2019 budget speech (as reported by Vanguard, 2018), Buhari did discuss the subsidy matter more openly arguing that *"The problem with subsidies in the past is abuse and corruption. Today the government through the NNPC is the sole importer of PMS* [Premium Motor Spirit] *and therefore, the under-recovery is from the NNPCs trading account. This means the possibility of some marketers falsifying claims is removed."* And that *"We have allowed for N305 billion ($1 billion) for under-recovery by NNPC on PMS in 2019. We will continue working to bring it downwards so that such resources are freed up to meet the developmental needs of our people."* Unfortunately, the costs have not gone down after 2019 and current subsidy payments have led the president to ask the National Assembly to ask for additional loans to be able to pay them (Majeed, 2022).

Figure 5: Oil revenues and subsidy payments (2016-2021).



Source: Budget implementation reports and for the subsidy estimates a collation of several media reports that draw on government statements (Adugbo, 2019; Nwabughiogu, 2022; Ojekunle, 2021; Okeke, 2022). Note that the oil revenue gap of 2019 is not easily explained by either oil production shortfalls (Figure 4) or high subsidy payments.

What is more, is that the budgetary move of putting the subsidy on the NNPC trading account has not improved transparency on other levels. It is not possible to assess how the subsidy costs have been estimated (before 2019) and how they have deviated from realized subsidy expenditures and why. Indeed, there has been no presentation and discussion—at least publicly—on the parameters needed to assess the fuel subsidy including the expected PMS demand in Nigeria (and ways to avoid cross-border smuggling), local refinery capacity and import needs, the international fuel price, the pump price aimed for by the government etc. The International Monetary Fund (IMF) and non-governmental organizations (e.g., Usen, 2022) have called for a removal of the subsidy. I argue that fuel subsidy estimates should at least be discussed by political actors to inform decision making.

3. Capital expenditure and NASS-executive tensions

In this section, I highlight four areas of contestation between the National Assembly and the MDAs on the expenditure side of the federal government budget. In terms of policy formulation, I identify contestation on needs assessment and the role of the federal state in redistribution. In terms of policy implementation, I focus on the problem of slow (or non-) implementation arising from both NASS and MDA behaviours. On policy oversight, I highlight the legal confusion arising when NASS conducts oversight on projects introduced by its own lawmakers. Yet first, I provide a short overview of the budget process.

3.1. Overview of the budget process

Once the Budget Office of the Federation receives the projections from the revenue generating agencies, the expenditure planning starts and the MTEF/FSP is drafted. This happens around the mid-year mark. The MTEF/FSP assesses performance and projects revenue and expenditure for the next three years.

With the budget circular, the budget office allocates an envelope of resources per MDA. MDAs provide their own budget within the set ceiling.[6] Hence, MDAs can formulate their own projects and programmes but in line with their mandates and the priorities and plans set by the federal government. MDAs are urged to stay within the Budget Office's assessment of their personnel costs and adhere to set staff recruitment guidelines (e.g., circular 58775/11/T/358)—put in place to reduce ghost workers. The MDAs must also adhere to the Budget Office's price list of goods in their calculations and must refrain from specifying particular brands. Finally,

[6] Several budget circular calls are available on the website of the Budget Office: https://www.budgetoffice.gov.ng/

MDAs must adhere to zero-based budgeting, meaning that all expenditure items must be based on justified needs and that simply introducing the previous budget with incremental increases is not allowed.

Within the ministries, the departments and agencies set up their budgets, in line with internally set ceilings. These are reviewed and finalized, and the budget is then submitted to the online Government Integrated Financial Management Information System (GIFMIS) platform. The overall budget is collated and captured in the appropriation bill sent to parliament. Within the National Assembly, both House and Senate discuss the bill in plenary, then subsections are reviewed more closely by the standing committees with oversight duties on specific MDAs. The committees can call upon the minister, the permanent secretary, and other MDA actors to defend the budget.

It is at the committee stage that 'budget padding' occurs. On this subject it is important to distinguish between zonal intervention projects and other 'constituency projects' as terminology can be confusing. Zonal intervention funds are funds that are to a large extent already earmarked in the budget by the executive—thought they can also be inflated in the review process. As part of an agreement with the NASS, the executive has since 1999 allowed lawmakers to nominate projects to be executed by MDAs in their constituencies. The zonal intervention funds are part of the NASS budget itself and MPs can nominate projects across MDAs without having to be a member of a committee with oversight on a specific MDA. MPs are given a particular budget and submit a form in which they nominate projects within this ceiling. Yet as members of standing committees, MPs also insert other constituency projects in the capital budget of the MDAs they oversee. It is these projects that are generally referred to when the term budget padding is used.

MPs scrutinize and adapt the budget through their committee work. Afterwards the new budgets are brought together by the appropriation committee, which can still make changes. The appropriation bill is then passed by each chamber. Yet Senate and House can approve different appropriation bills, even though committee chairmen of both chambers often communicate regularly. After each chamber has passed an appropriation bill, the bills hence still go to the Joint Committee on Appropriation and Finance for final adjustments and consolidation. If no agreement is reached in this committee it goes to a joint sitting of House and Senate. After this, the bill goes to the president for his assent.

During the fiscal year, the federal government releases funding per quarter. The MDAs draw on these releases for their recurrent and capital spending. During the year, there is also continued interaction with the National Assembly and MPs conduct oversight visits to selected projects.

3.2. Needs versus wants: NASS and MDA juxtaposing perspectives

Whether in media reports or interviews, MPs consistently bring up the following arguments explaining why they adapt the budget: they argue that the MDAs do not gather information from all areas of the country, while they as MPs are better positioned to know the needs of their areas. They also commonly argue they are elected representatives of the people, while ministers, permanent secretaries, managing directors and other civil servants or political appointees are not. Finally, their electorate wishes for them to take development back to their constituencies. When challenged with this argumentation MDA staff argue in contrast that they do have appropriate needs assessment channels including field and extension officers, but also meetings with civil society partners, the state governor's forum, the National Economic Council etc. Rather than taking a side in this debate, I draw here on interview data to show that in a lot of ways, both MPs and MDAs face similar problems with needs analysis.

First, when MPs say they know the needs of their constituencies, that may very well be the case. The zonal intervention funds allow MPs to address these needs by being able to nominate projects themselves across MDAs regardless of what that project may entail (e.g., road construction, erosion control, agricultural fertilizer distribution, empowerment etc.) based on what they believe their constituents need most. Yet when it comes to budget padding with constituency projects, MPs are restricted in what they can ask for by their committee memberships, which are the result of a political negotiation process at the start of the legislature (Demarest, 2021). Though it must be said that this restriction does not always prevent MPs from inserting projects that are outside of a specific MDAs mandate, as when the River Basin Development Authorities suddenly needed to construct roads and install streetlights (BudgIT, 2022).

Overall, however, because of the siloed nature of the committee system, MPs are more likely to try to get what they can get from the MDAs they oversee, rather than that the specific project they insert is based on rigorous needs analysis: "*An agency may propose a budget envelope. Assume it's 10 billion, then they allow the committee to decide how 1 billion will be distributed"* (SLA1). *"This tinkering they call budget padding is just our 5-10% leeway… if 10% amounts to 500 million, for example, we call committee members and divide it"* (MP2). Although MPs can lobby to exchange constituency projects across MDAs and committees, this lobbying does require more effort: "*If I need a road in my constituency and I am not in that* *committee, I can only go to the chairman of works, then appropriation, finance, I have to lobby all of them"* (MP2).

At the level of the MDAs, this siloed policymaking also occurs. Given that MDAs have their specific mandates, their needs assessment is focused on one area, like health, education, or agriculture. Hence, for a specific geographical area, MDAs do not question whether education, health, or agriculture is the most important policy area to invest in. They can only compare education in one area versus another. While the Ministry of Finance maintains oversight, communication across policymaking areas is still a struggle: *"Reform is required on roads, finance, transport as a whole, not island by island. Finance tries to regulate but yes, the whole thing is still siloed. There is no thinking about how roads will link raw materials to industries, goods to ports: how do we get development going?"* (MDA 1).

Yet within a siloed policy area, there is also a challenge with comparing the needs of different geographical areas to each other. Here MDAs appear better positioned than MPs as they cover one policy area across federal territory, while MPs know the needs of their area but not how these needs compare to those of other localities. Yet MDAs clearly also face challenges with this: *"The MDAs may have a rational for certain project decisions. An MP can look, however, and say there is no road in his constituency and ask why other roads elsewhere are being budgeted. Maybe the MDA staff can provide an argumentation, but sometimes they cannot. This raises eyebrows, ill feelings.... Some arguments by MDA staff can be valid, if proper needs assessment was done and report is there, they can rely on report to motivate. When you have a good explanation, often MPs can understand"* (SLA 1).

An important challenge MDAs face in their needs assessment is the lack of an overview on the presence of federal facilities and amenities across the country. While for areas like education and health it can be easier to count the number of institutions present and compare this with population estimates, for other areas like roads or power this is more difficult. While the Federal Character Commission (FCC) in light of its second mandate was planning a large-scale stock taking exercise by requiring data from the MDAs on all structures (hospitals, roads etc.) that are currently in place and functioning in Nigeria (Demarest et al., 2020), this exercise does not yet appear to inform policymaking. This hinders the establishment of convincing rationales for projects proposed by MDAs. As a result, they face difficulties in pushing back on MP demands.

The MDAs, but also MPs could make use of such a data exercise to guide their needs assessments beyond specific policy areas and across geographical localities. Furthermore, while the National Bureau of Statistics regularly conducts research that can support policymaking, these can be more transparently used by both actors in motivating their decisions to include certain projects.

This advice does rely on the view that MDAs and MPs both have genuine interest in getting the needs of constituents met, rather than fulfilling their own, private wants. MPs commonly accuse MDA staff of including line items on computers, travel budget, and projects that are not needed and the contracts of which will be subject to corruption. Vice versa, MDAs argue MPs want constituency projects but also want to control the contracts and extract personal benefits. Of course, besides mutual accusations, there is collaboration between MPs and MDAs on allowing each other to extract resources in a 'you chop, I chop'-system (Demarest, 2021). These practices clearly undermine needs assessment and the well-motivated targeting of policies.

3.3 Redistribution and the role of the federal state

Another distinct argument made by Nigerian lawmakers in favour of their interventions in the budget, is that they make sure that the budget is not skewed towards particular regions and there is an equitable distribution of federal resources across Nigeria: *"If we notice an imbalance, we adapt to make sure every section gets a fair contribution"* (MP3). *"The thing is chief executives and people around them, they can get carried away and skew towards their own regions. Most arguments within the committee are on the balancing of projects"* (SLA 1).

The balancing of projects is not necessarily a simple counting and division exercise, however: *"The issue is about equity in development. For example, the cost of 1 km of road in the North differs from the South. If you allocate the same resources that would be unfair development"* (MP 4). *"For agriculture, for example, it is important that each zone is covered, but commodities are for the entire country, so it's also about allocating resources to ensure food security across the country"* (MP 5).

MDA staff do state to take fairness in distribution into account as well: *"People drill budget down per region, not only MPs. You cannot afford not to spread things"* (MDA 2). Some MPs acknowledge this: *"We do the breakdown but when you do this, you also see they did the math themselves as well"* (MP 6). Others are more negative though: *"Most of our budget tends to be regional ... some parts get more. We correct some but it is often what the president wants overall"* (MP 7).

While both MPs and MDAs express concern over the equitable allocation of resources, there are important problems that can arise from such a focus. A good example here is the debate between the MDAs and the NASS on the Lagos-Ibadan expressway: *"Money was* *devoted to the legacy project of the Lagos-Ibadan expressway, 14 billion. But NASS reduced it to 4 billion. The argument was that Fashola as minister wanted to skew resources to his South-West zone, while spread needed to occur to all 6 zones. But the federal government later stated that in this way, it would take years more to complete such a big project"* (MP 1). This indicates that a too stringent focus on equal allocation can lead to the fragmentation of resources across so many projects, that it takes more time to complete anyone of them. It can also raise costs: *"With partial funding, contracts are sometimes awarded for only one year. The next year there is still work, but prices have gone up. Or the project does not get funding in subsequent years. When you speak to contractors, if a project has been abandoned for 6 years, they have to check whether infrastructure is still sound, these are incremental costs"* (MDA 3).

This fragmentation also raises fundamental questions on the budgetary role of the federal government: *"We have a federal government budget not a national budget. We cannot consult with 360 federal constituencies, 774 LGAs (Local Government Areas) or 10000 wards on what their priorities are .... MPs want us to focus on micro-projects, which are more state and LGA responsibility. They are importing these responsibilities into the federal government budget"* (MDA 4). *"Like local roads. MPs ask the federal government to make or fix them, but they remain LGA roads, which have a small impact on creating economic development. It is a waste of federal funds"* (MDA 1). According to this MDA logic, the federal government should focus on big projects cutting across states and zones to bring development, while MPs' focus on local projects and redistribution undermines funding for true federal projects that can spur development.

Yet a middle ground may be found. First, while MDAs argue that small and fragmented micro-projects should not be the responsibility of the federal government, it can be argued in favour of the lawmakers that Nigeria's federal structure still allocates most resources (over 50%) to the federal tier, while the 'free money' allocated to states is identified as an important source for corruption (Suberu, 2009), and the local tier's dependence on state governments is commonly associated with poor governance (Page & Wando, 2022). In this federal context, MPs can be expected to call on the federal state for local constituency projects for the foreseeable time.

However, bigger development projects should not be undermined by this local NASS focus. One option could be to identify several 'legacy projects' at the start of a presidential term and ensure these are spread relatively equally across the national territory (e.g., expressway in the South-West, railway line in the North, deep seaports in the South-South etc.). Rather than that these projects are scrutinized by specific, siloed committees, where they individually may be associated with skewness and unfairness—and as a result fragmented—the president and legislature may agree to view these projects together as a package in the federal budget. As such, the government's wish for big projects and the NASS's wish for equitable allocation may both be fulfilled.

3.4. Poor budget implementation and mutual disappointments

As shown in Section 2, the federal government has faced incomplete and late budget implementation in terms of capital expenditure. This leads to projects not being implemented or only partially so. Both the NASS and MDAs express disappointment with each other for this predicament.

It is important to note first, however, that even if expenditure is fully completed, this is not the same as full project completion. First, the budget can sometimes only ever foresee in partial funding (see section 3.3 on fragmentation). Second, the foreseen budget has become insufficient due to NASS tinkering: *"We take 10 dollars here and there* [Author note: costs are a hypothetical example] *and put it together to fix a road"* (MP 2). This commonly leads to frustration at the MDA level *"you find that in some cases the allocated money has been reduced and you can no longer really do the project. You only see this when it is finalized"* (MDA 5). This can lead to partial implementation. Finally, it is possible that exchange rate fluctuations and inflation reduce what can be achieved for a given budgeted amount.

Interviewed MDA staff do not indicate concerns about MPs' own cost assessments though. When they insert projects, it does appear that the amount budgeted can cover the project: *"MPs may have already met with people in the ministry for a cost assessment. It is accurate, but of course other things can happen"* (MDA 6). Civil society actors criticize inflated contracts more than that they highlight underestimated costs, also indicating the latter may not be the most serious concern (e.g., Atoyebi, 2022). Furthermore, interviewed MDA staff did not state that the inclusion of NASS projects increases management and coordination costs (i.e., more small projects, more contracts to manage, monitor, and evaluate) too much, countering the idea that NASS budget padding undermines full budget implementation.

This does not imply that poor and slow budget implementation is solely the federal government's doing. While the federal governments' poor projections of revenue are the main cause, the National Assembly generally inflates revenue and expenditure even further instead of properly scrutinizing the budget. In addition, the National Assembly does not always provide its cooperation to the federal government in obtaining funds in time: *"Even though external borrowing is in the Appropriation Act, there is a provision in the law that the NASS still has to* *agree to the loan terms and conditions during the year. It can be three months to get it done. If it's June, they say they go on recess and then only start again in September. Sometimes it's even postponed to October. They don't see it as a 'juicy committee'"* (MDA 3). MPs' focus on getting expenditure projects thus appears to stand in the way of a focus on obtaining the necessary resources in the first place.

Here, an important role can be set aside for the NASS leadership, which could aim to ensure better that both revenue generation and expenditure deserve committee attention. After all, MPs have a lot to gain from an earlier release of capital: *"If project money is only released in the third quarter, MPs can put pressure because they want it done by end of year, because they want to show the people"* (MDA 2). *"There is sometimes disappointment that a project did not get funded. As MP you would not have known a project was not fully funded until after the new budget was signed, making it too late to put continuation money in the new budget. So, you would have to wait two years, if you even have that time in office. This leads to abandoned projects"* (SLA 1).

In return, transparent communication about which project funding is released every quarter, could avoid the perception of biased implementation by MDAs: *"MDAs implement some projects, not others, they pretend they cannot do it. I have projects in the budget which have not been funded"* (MP 8). *"The executive is often eager to announce new funds have been released, but it is harder to know for which projects. Sometimes you have this dynamic when MDAs say a project is not funded yet because MPs put pressure, but then the Budget Office says that the funds have been released and tells MPs to check with the MDA"* (MP 1). Open communication online from the Budget Office could counter these dynamics and suspicions and improve cooperation between MDAs and MPs.

3.5. Blurred lines in NASS oversight

In theory, the executive proposes expenditure plans, while parliament authorizes spending and conducts oversight on the MDAs. Current practice in Nigeria is that the National Assembly adopts an assertive stance on the budget and inserts projects. Thus, MPs find themselves in the position of overseeing their own projects. This leaves a lot of room for conflicts of interest: *"The National Assembly inserts projects, then conducts oversight of these projects. It's a conflict of interest, it is staring you in the face"* (MDA 7). This also leads to the corruption concerns raised before (see Section 3.2.).

More recently, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) has played a more active role in challenging the NASS on the projects.

The commission's Constituency and Executive Projects Tracking Exercise (CEPTG) which was kicked off in 2019 is an important innovation on checking duplicated projects, inflated contracts, and monitoring project execution (ICPC, 2022). The CEPTG exercise does raise new tensions as the ICPC has found itself at loggerheads with the NASS (e.g., Emameh, 2022).

The ICPC cuts projects based on the assessment that they are duplicated or inflated. These projects can turn out to be inserted by MPs: *"The ICPC decided to flag some projects and scrap them by saying they are duplicated projects. Members complained that their projects had been cut. The ICPC justified the scrapping, but our pushback is that they don't have that constitutional right as the budget is the law. They can only interrogate how a project is implemented"* (MP 1).

In the ICPC establishment act, the mandated duty that could provide a legal basis for their action is 6(b): *"to examine the practices, systems and procedures of public bodies and where, in the opinion of the Commission, such practices, systems or procedures aid or facilitate fraud or corruption, to direct and supervise a review of them."* Yet it is not difficult to imagine that legal contestation between the NASS and the ICPC on the budget, similar to the contestation between the NASS and the executive could become a clash of arguments for the coming years. These arguments could further slow down budget implementation.

4.Conclusion

In this paper, I have argued that while media attention to assembly-executive relations has focused primarily on the phenomenon of 'budget padding', budget relations are more complex, and, unfortunately, subjected to more problems. By drawing on a quantitative analysis of budget statistics over time (2016-2021), I have highlighted the stark gaps between projected and realized revenue at government level, as well as the slow and incomplete capital expenditure halting development progress. I also made the case that while the executive can be faulted for its poor revenue predictions and implementation, the National Assembly has generally been too absorbed with constituency projects—even inflating the expected revenue without a strong basis— to focus on budget scrutiny and play its oversight role in challenging the executive on the budget parameters.

Next, I drew on interviews to examine the respective roles of the NASS and the MDAs in policy formulation, implementation, and oversight. I argued that while both MPs and MDA staff challenge each other on proper needs assessment, neither side is sufficiently equipped to address the needs of Nigerian citizens and more robust fact finding is required. Furthermore, I found that MPs' focus on redistribution and local development projects could be understood, but also indicated that this focus should not stand in the way of bigger, cross-regional development projects. To ensure big legacy projects are not fragmented, I propose that the executive introduces several (3-5) legacy projects spread across the territory as a 'package deal' to the NASS.

With regard to policy implementation, I argued that MPs should also ensure swift resource acquisition, especially when it comes to approving external loans. While this task may not be considered 'juicy', the NASS leadership should strive to achieve this for the benefit of all members. In return, the Budget Office and MDAs should adopt more transparency on the release of funds per quarter. Finally, in terms of oversight, I noted that the current budget padding situation creates important conflicts of interest, but also that the assertive stance of the ICPC on MPs' constituency projects could be associated with further legal confusion and contestation in the future, which could undermine budget credibility.

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