

KEY POINTS



- Nigeria's return to civil rule in 1999 has given budget its constitutional status as against the military era when budgets were only read to the nation.
- The Nigerian budgetary system is characterized by delays in preparation, submission and appropriation owing to many factors.
- It took the Senate an average of 110 days to pass the budget after receiving it.
- The average duration it takes from when the budget is received by NASS to when the President finally signs it into law is 137 days.

Delayed Passage of Nigeria's 2018 Budget: Worst in Two Decades?

A budget is a framework for revenue and expenditure outlays over a specified period usually one year. It serves as an instrument by which a government allocates, distributes and redistributes benefits, burdens and losses among groups, communities, segments of a society and socioeconomic sectors. Nigeria's return to civil rule in 1999 has given budget its constitutional status as against the military era when budgets were only read to the nation.

Under the civilian rule however, budgeting involves a wider consultation. It commences with the Budget Office issuing call circulars to all ministries, agencies and extra-ministerial departments for their inputs to the budget. Upon receipt of these inputs, the Budget Office collates and analyses the proposal and hold inter-ministerial meeting for harmonization. A draft copy is then submitted to the President who submits to the National Assembly (NASS) as an Appropriation Bill. Upon approval by both arms of the NASS, the budget becomes an Appropriation Act which then becomes a law when the President appends his signature.

An examination of historical facts shows that the Nigerian budgetary system is characterized by delays in preparation, submission and appropriation owing to many factors, one being the relationship between the executive and the legislature. Recently, there is a growing concern over the delayed passage of 2018 budget which was submitted to the NASS in November 2017. This is in sharp contrast to the current administration's promise to regularize the budget cycle to the January and December period.

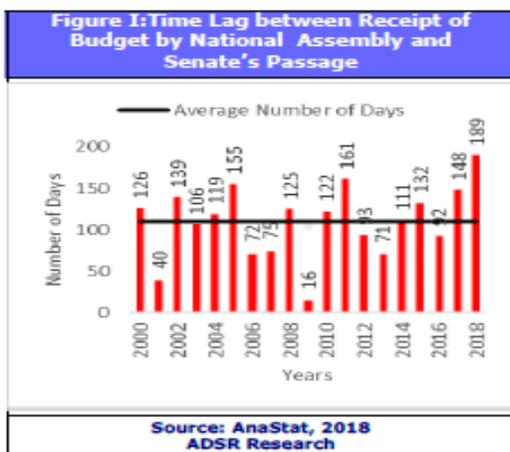
Against this backdrop and in a bid to gain a wider perspective of the budgeting scenario in Nigeria, we critically analysed the time lags between when budget is prepared and signed by the President in Nigeria from 2000 till date employing data sourced from our ANASTAT data bank.

Time Lag between Receipt of Budget by National Assembly and Senate's Passage

For the period of study (2000-2018), it took the Senate an average of 110 days to pass the budget after receiving it. From Figure I, this time lag was seen to be higher than the average time lag for 11 years over the study period but below the average for the remaining years.

Figure I further shows that in 2001, 2006, 2007, 2009 and 2013, time lags were notably below average at 40, 72, 75, 16 and 71 days respectively. On the other hand, remarkable long durations were documented in 2002, 2005, 2011, 2015, 2017 and 2018 at 139, 155, 161, 132, 148 and 189 days respectively.

The lowest duration between budget receipt by NASS and Senate's passage was recorded in 2009 while the highest in recent history will likely be in 2018 since the budget has not been passed by NASS even at the end of April, 2018.

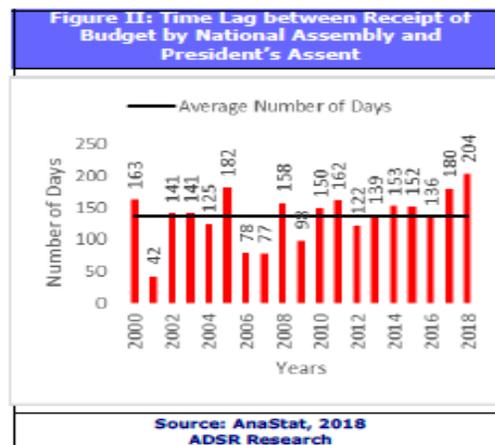


Time Lag between Receipt of Budget by National Assembly and President's Assent

The results of analysis presented in Figure II shows that the average duration it takes from when the budget is received by NASS to when the President finally signs it into law is 137 days. It was also seen that time lags above this average were experienced in 12 years while other years of the study period had time lags below the average.

The years when the time lags were particularly above average include 2000, 2005, 2008, 2011, 2017 and 2018 at 163, 182, 158, 162, 180 and 204 days respectively. In 2001, 2006, 2007 and 2009, time lags were notably below average at 42, 78, 77 and 98 days respectively. The least duration which was 42 days was recorded in 2001. However, the 2018 time lag appeared the lengthiest in history at 204 days with the assumption that the budget will be passed in mid-May and the President will sign at the end of May.

In addition, a closer look at the figures reveals that each remarkably lengthy time lag is usually succeeded by a shorter duration which may be as a result of learning from the past. However, this lessons has not birth sustained decline in the time lag over time.



The foregoing undoubtedly depicts that the completion of Nigeria's budgeting process often takes a long period of time. This leads to inadequate execution, as well as poor coordination and implementation of projects. Having this understanding, it is requisite for us to learn from

history and avert subsequent delays by critically assessing the budgeting process and cycle, appraise the actors in the budgeting process and most significantly review the constitutional hold on budget preparation and appropriation.

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