

**“BUDGET MONITORING &
IMPLEMENTATION:
SUCSESSES & CHALLENGES FROM
PRACTICAL EXPERIENCE”**

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Introduction

- ⦿ Budget and budgetary processes are an indispensable tool in the hands of governments all over the world to re-align policy objectives and eliminate fiscal distortions. They run in most cases, over a given time frame (usually a year).
- ⦿ Used properly, budgets not only eliminate distortions but provide a yardstick to measure how well the challenges of infrastructural provisions and social services are managed or distributed. They make for an interplay of micro and macro-economic policies and programs to sustain an economy on the path of growth, increased earnings and reduction in deficits.

Budget Implementation Reporting: Rationale (1)

- It is obvious that to attain and sustain growth, government must as a matter of policy, direct attention to tuning and retuning of the budgetary processes so that palpable or discernible results are obtained to measure whether or not these objectives are being met.
- Budget implementation reports make it possible to see at a glance the performance level of the various sectors of the economy and how they fare in the attainment of government fiscal measures.

Budget Implementation Reporting: Rationale (2)

- ⦿ Budget Monitoring Reports help ensure that not only are the execution of projects kept on track but are in tune with financial and technical specifications i.e. funds are utilized for the purpose they are intended. They provide a valuable data bank and help evaluate impact of projects on communities.
- ⦿ The Reports also help to identify areas of successes or challenges and to enforce compliance.

Budget Implementation Reporting: Mandate (1)

- The Federal Ministry of Finance commissioned a committee of economic experts to review the Budget System in January 2000, headed by Professor Dotun Philips. (Budget System Review Committee). The findings of the committee revealed that since the creation of the Budget Implementation Department (BID), it had been unable to perform its functions effectively owing to:
 - Inadequate number of skilled staff;
 - Low co-operation from Ministries;

The 2005 Reforms & the FRA 2007 (1)

- Following the restructuring of the Budget Office in line with the reforms of the Federal Government, some staff were also deployed to the Budget Monitoring and Evaluation Department from the Office of the Head of Service.
- In May 2007, following the approval of the recommendation of the Bureau of Public Service Reform, the Budget Monitoring and Evaluation Department was merged with the Fiscal Policy Department and became the Fiscal and Budget Monitoring Department.

The 2005 Reforms & the FRA 2007 (2)

- The 2007 Fiscal Responsibility Act (Section 30 (i), (ii) and 50) further underscored the mandate of the Budget Monitoring and Evaluation Department in the Budget Office of the Federation. Section 30 of the Act provides that:
 - i. ***“The Minister of Finance, through the Budget Office of the Federation, shall monitor and evaluate the implementation of the Annual Budget, assess the attainment of fiscal targets and report thereon on a quarterly basis to the Fiscal Responsibility Council and the Joint Finance Committee of the National Assembly.”***
 - ii. ***“The Minister of Finance shall, cause the report prepared pursuant to subsection (1) of this section to be published in the mass and electronic and on Ministry of Finance website, not later than 30 days after the end of each quarter.”***

The 2005 Reforms & the FRA 2007 (3)

- The Fiscal Responsibility Act further states further in Section 50 that:
- ***“The Federal Government through its budget within 30 days after the end of each quarter, public a summarized report on budget execution in such form as may be prescribed by the Fiscal Responsibility Commission and not later than 6 months after the end of the financial year, a consolidated budget execution report showing implementation against physical and financial performance targets shall be published and disseminated to the public.”***

Other Functions of the BME Dept.

- Apart from the above, Budget Monitoring and Evaluation Department provides monthly updates on the implementation status of government projects and produces both Quarterly and Annual Reports which are submitted to the Presidency.
- Other statutory functions of BME include:
 - Tracking of and ensuring out-put deliverables.
 - Follow-up on Implementation Reports.
 - Proffering solutions from report analysis to enhance attainment of goals.

The BME Template: Parts

- To facilitate the Budget tracking process, an encompassing template was designed in consultation with NPC, OAGF, OHSF, CEAP, OSSAP-MDGs & MDAs
- There are 3 main parts of the template:
 - Project History – This aspect contains the serial number, Project Title/Location, Project Objectives, Date Project commenced, Planned completion date, and Total Project Estimated Cost.
 - Financial Implementation Segment: – This has to do with appropriation in the budget year, Cost Variation (if any), Total Amount Released in the year, and Total Amount committed to date.
 - Physical Implementation Segment; – This part details Planned Quarterly/Annual Performance Targets, Recorded Achievement in the Year, Total Achievements since commencement.
 - In addition, provision is also made for templates to include remarks which give room for important observations e.g defaults, deviations, etc.

The BME Template: Uses

- ⦿ Serve as a data gathering mechanism.
- ⦿ Provide details of MDAs plans, projections etc.
- ⦿ Allocate and monitor time frames or targets for the start and completion of projects/programs in line with specification.
- ⦿ Track funds/input utilization based on set targets.
- ⦿ Provide feedback to enable government consider, review or modify programs or projects.
- ⦿ Take care of technicalities involved in different professional or specialized fields' e.g Engineering, Medicine, Metallurgy, Architecture etc.

The BME Template: Drawbacks & Challenges

- ⦿ Templates often create distortions when not understood or deliberately manipulated. Since the Template is a collective product of several MDAs, effort must be made to update it with current realities e.g. integrating the names of contractors etc.
- ⦿ As a budget monitoring entity, our success will usually be traceable to the quantum of projects/programs we are able to effectively monitor, how timely these reports are and how their content help to impact positively on the community where the projects are located.
- ⦿ A random sampling of the 2006, 2008 and 2009 monitoring activities, (as shown in the table of projects monitored) should reflect the achievement of the Department despite the shortage of staff

Statistical Data of Projects Monitored (2006)

S/N	SECTOR	PROJECT TITLE	NO. OF PROJECTS MONITORED
1.	Defence	Military Barracks Rehabilitation	41
2.	Police Affairs	Police Barracks Rehabilitation	73
3.	Internal Affairs	National Identity card scheme	1
4.	Power	Geregu and Alaoji Power Station	2
5.	Agriculture	Fertilizer Distribution and Tractor Procurement nation-wide	37
6.	Culture and Tourism	Abuja Cultural Centre & Towers	1
7.	Water Resources	Constituency Water Projects	131
8.	Health	National Primary Health/Care Centres and National Programme on Immunisation	69
9.	Education	National Open University (NOUN)	1
10.	Finance	Palliative Measure of Cushioning of the Effect of Increase in Prices of Petroleum products	19
11.	Works	Onitsha/Owerri Road & Onitsha Eastern By Pass	2
12.	Science & Technology	Nigeria communications Satellite	1
13.	FCTA	Complementary Engineering Infrastructures, National Assembly Complex Phase II and Lower Usuma Dam Phase III & IV Water Treatment Plant	3
14.	Presidency	NAPEP (Micro Credit Scheme)	35

Statistical Data of Projects Monitored (2008)

S/N	SECTOR	PROJECT TITLE	NO. OF PROJECTS MONITORED
1.	Agric. & Water Resources	Construction of Dams and Water Treatment Plant	16
2	Education	Eighteen (18 universities capital Projects	59
3	Energy Sector (Power)	Construction of sub-Stations and Transmission Lines	11
4.	Energy Sector (Petroleum Resources)	Renovation DPR Headquarters, Lagos Establishment and Operations of the National Data repository, Lagos. Purchase, Furnishing and Equipping of Abuja Zonal Office.	3
5.	Federal Capital Territory (FCT)	Infrastructural development	16
6.	Health	Construction/Rehabilitation and Equipping of Projects	43
7.	Interior Sector (Police)	Construction and rehabilitation of Police Barracks	13
8.	Interior Sector (Prisons)	Construction and rehabilitation of Prison Headquarters and Sub-Stations	27
9.	Transportation Sector (Aviation)	Total Radar Coverage of Nigeria (TRACON) Replacement and renovation of control Tower Equipment in Lagos, Kano, Abuja, Port Harcourt, Jos, Calabar, Enugu and Owerri Airports	5
10.	Transportation Sector (Works)	Construction and Rehabilitation of road Network	19

Statistical Data of Projects Monitored (Jan – Sept 2009)

S/N	SECTOR	PROJECT TITLE	NO. OF PROJECTS MONITORED
1.	Agric. & Water Resources	Distribution of Fertilizer and research Institute	45
2	Education Sector	Federal Colleges of Education and Training Institute	38
3	Energy Sector (Power)	Construction of Sub-Stations and Transmission Lines	5
4.	Federal Capital Territory (FCT)	Infrastructural development	12
5.	Health Sector	Construction, Rehabilitation and Equipping of Projects in Federal Medical Centres	58
6.	Work Sector	Construction/Rehabilitation and Dualization of some Selected roads Nation-wide	13

BME: Lessons & Experiences (1)

- ① The process of Budget Monitoring and Evaluation requires the use of a common platform by the MDAs and the Budget Office of the Federation that should be time and resource sensitive. However, many MDAs do not return fully completed templates in good time which causes delays and slows down the tempo of work.
- ② The time frame for the exercise is not usually adequate given the sheer size of projects and their spread. Our experience have shown that there is a need for more time to enable the BOF meet with MDAs and other relevant bodies to compare notes and close-up the information gaps from time to time.
- ③ A lot of the reports generated by monitoring teams and published by the Budget Office of the Federation are not always utilized by affected MDAs to improve their service delivery.

BME: Lessons & Experiences (2)

- ⦿ Some MDAs do not give adequate co-operation as monitoring teams often find it difficult to get proper feedback on project implementation status. The Budget Monitoring and Evaluation teams are often perceived as 'nosey'.
- ⦿ Officers delegated to attend to the teams are either low ranking or not well versed to contribute to the discourse on the issues at hand. Chief Executive Officer's can also be very remote and inaccessible in a good number of cases.
- ⦿ The specialized or technical elements of monitoring/evaluation calls for training and retraining of staff to improve their capacity.
- ⦿ There is need for continuous interaction with the mass media for information management and to educate the people on budget performance.

BME: Lessons & Experiences (3)

- ⦿ Periodic interaction is necessary between the Budget Office of the Federation and MDAs to review and re-strategize on key deliverables and to encourage information flow.
- ⦿ There is need for proper data management through a deliberate policy of IT driven analysis and the creation of a centralized data bank to collate input and measure output.

Conclusion

- ① Under the new performance based budgeting system, whereby MDAs would be required to set performance targets and indicators as well as periodic reports on implementation, there is the need to enhance staff capacity to meet up with the challenges.
- ① To maintain international best practice, adequate funding for Monitoring and Evaluation of projects/programmes should be improved to achieve results and ensure value for money.
- ① Priorities should continue to be given to the completion of ongoing projects/program by MDAs so that the communities or the public feel the impact as part of dividends of democracy.