Impact of Medium-Term Expenditure Framework on Budget Implementation in Nigeria

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Abstract

This paper examines the impact of Medium-Term Expenditure Framework (MTEF) on Budget Implementation in Nigeria. The research work studied the implementation of annual budget prior to (1994-2004) and after (2006-2016) the adoption of MTEF in 2005. Secondary data gathered from numerous sources including the Central Bank of Nigeria, Budget Office of the Federation, Federal Ministry of Finance, Office of the Accountant-General of the Federation, National Bureau of Statistics, Fiscal Responsibility Commission, were utilized. MTEF was utilized as the independent variable which was proxied by Federal capital budgets while budget implementation was utilized as the dependent variable which was proxied by actual capital expenditure. Correlation analysis was employed in analyzing the data collected, through the instrumentality of PSPP statistical software. Based on the outcome of pre-MTEF and post-MTEF statistical analysis, the research concludes that the adoption of MTEF has not significantly impacted budget implementation in Nigeria. For the correlation coefficient, in as much as the two periods revealed a positive relationship between actual expenditure and budgeted expenditure, post-MTEF relationship (r = 0.3452) indicated a weak position compared to pre-MTEF relationship (r = 0.5922) which is relatively strong. To further validate this position, the average percentage of actual capital expenditure to budgeted capital expenditure for post-MTEF is 77.20% as against pre-MTEF which has 197.5%. The study therefore recommended that the procurement cycle for public procurement as enshrined in the Public Procurement Act (PPA) should be reviewed and amended to a maximum of four weeks. This is possible if technology is incorporated into the procurement processes; the meager percentage of mobilization fees advanced to contractors for government awarded contracts should be reviewed and increase to at least fifty percent (50%) of the contract sum; and the appropriation act should be accompanied with key performance indicators (KPIs) that members of the public and other stakeholders can hold the government accountable to.

Keywords: Actual Expenditure, Budget, Budgeted Expenditure, Budget Implementation, MTEF

1. INTRODUCTION

According to Uchendu (1998) budgets are economic tools deliberately designed through political process to aid in the allocation of available resources among competing demands. He further added that "a public budget is an economic tool deliberately fashioned through the political process to assist in the management of public sector". In the words of Adams (2006), budget can be defined as a financial and or quantitative statement prepared and approved prior to a defined period of time of the policies to be pursued by the organization in order to achieve organizational goals and objectives. According to Ohanele (2010), the national budget is the most important economic policy instrument for a government and it reflects the government's priorities regarding social and economic policy more than any other document. In addition, the instrument translates policies, campaign promises, political commitments, and goals into decisions regarding where funds should be spent and how funds should be collected.

Lucien (2002) opined that, for a budget to function as an instrument of fiscal and macroeconomic engineering, both the budget process and budget management must be sound. By sound budgeting, the researcher means a well-planned and implemented public spending strategy that promotes technical efficiency, allocative efficiency and equity. Budgeting in Nigeria is problematic especially when it comes to implementation. Budget implementation problem occurs when the desired result on the target beneficiaries is not actualized. The problem with budget implementation is due to Nigeria's monoculture economy, deficit budgeting, delay in passage of the budget by the legislature and ineffective oversight by the legislative arm of government (Olurankinse & Oloruntoba, 2017). Ezenwafor (2011) opined that failure of the policy (budget) makers to take into consideration the social, political, economic and administrative variables when analyzing formulation creates a huge implementation gap. He emphasized that corruption is the biggest problem that leads to implementation gap in Nigeria. Olurankinse and Oloruntoba (2017) assert that implementation problem comes in this regard when huge amount of money are earmarked for a project but the officers in charge of implementation steal such amount or a substantial part of the budgeted money. Okonjo-Iweala and Osafo-Kwaako (2007) opined that, weaknesses in budget implementation and monitoring had in the past, resulted in low quality of government expenditures and many uncompleted projects. In their opinion, strengthening the budget preparation and execution process was, therefore, urgently needed in order to improve the efficiency of government spending and improve service delivery to the Nigerian public.

The Nigerian budget process in the mid-2000s was ad hoc, opaque, and poorly planned. There was little coherence in the budget formulation. Budget tended to just repeat sectoral allocations from the past with some tweaking at the margin, perpetuating a legacy. Program implementations often deviated from the budget with impunity. All this meant that the budget cycle created room for corruption and waste. In order to increase efficiency of government spending and improve service delivery, the administration of President Olusegun Obasanjo introduced three planning and control tools in Nigeria budgetary process. The three planning and control tools are the fiscal strategy paper (FSP), medium-term expenditure framework (MTEF) and medium-term sector strategies (Okonjo-Iweala, 2012). In the words of Wildavsky (1986), medium-term expenditure frameworks (MTEFs) constitute an approach to budgeting and public financial management (PFM) that addresses well-known shortcomings of annual budgeting, including shortsightedness, conservatism, and parochialism. According to World Bank (2013), MTEFs take a strategic forward-looking approach to establishing priorities and allocating resources, which allows the level and composition of public expenditure to be determined in the light of emerging needs. MTEFs also require policy makers to look across sectors, programs, and projects to see how spending can be restructured to best serve established policy objectives. According to Okoroafor (2016), the MTEF in Nigeria is an economic and fiscal strategy document that covers a three-year period, but which is revised and updated every year in the manner of a rolling plan. It is the document that spells out the maximum amount that the Federal Government should spend in a particular financial year.

The budgetary systems reforms were initiated to improve the performance of macroeconomic variables in Nigeria and lead Nigeria into a sustainable path of growth and development. In spite of the implementation of these reforms the fundamental economic problems continue to linger. According to Kazeem (2018), poverty is on the rise with Nigeria at present being the world poverty capital, unemployment is becoming a national embarrassment; inflation is excessively high, fiscal indiscipline remains unabated, among other disturbing economic problems. Does it sugges tthat the budget process in Nigeria has been poorly managed? Does that give an impression that the implementation of the annual budget is badly executed? It is pertinent to mention here that much attention has not been focused by the academics, financial experts, development partners, donor organisations or technocrats in the public service to ascertain the extent to which MTEF adoption has influenced budget implementation in Nigeria. Hence, this research work seeks to bridge this knowledge gap by x-raying the implementation of the Federal Budget to ascertain how the adoption of MTEF as the basis for annual budget preparation has impacted budget implementation.

2. LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of Budget and Budgeting

According to Ahmad and Ahmad (2014), the budget is the basis of financial planning that helps to monitor, control and guide the economy towards planned development through efficient and effective resource utilization. Magani and Gichure (2018), defined budget as an effective tool for planning, coordination, monitoring, controlling resource movements, decision making, performance evaluation and communication as it helps in utilization of the available human, financial and physical resources. Adeniran and Bodunrin (2018) opined that, public budget plays a crucial role in economic management and broader development policies. Importantly, it is the main transmission mechanism of fiscal policy and the key tool through which government could stabilize and influence the economic direction. Lambe (2014), posited that budgeting is a comprehensive and coordinated plan which is packaged by the management of an organization and expressed in financial terms for the operations and resources of an enterprise for some specific period in the future. Budgeting has been defined by Institute of Cost and Management Accountants (ICMA) as quoted in Lambe (2014) as "a plan quantified in monetary terms, prepared and approved prior to a defined period of time usually showing planned income to be generated and/or expenditure to be incurred during that period and the capital to beemployed to attain a given objective".

In all Government units, the executive arm prepares the budget and submits to the legislative arm for review, modification and approval. The approved budget serves as the basis for the activities of the government unit for the fiscal period under focus. According to ICAN (2009), there are four main purposes which a government budget serves namely:

- A budget is an economic and financial document. It highlights government's policies which are designed to promote economic growth, full employment and enhance the quality of life of citizenry.
- It is a useful guide for the allocation of available resources.
- Through the Legislature, the executive arm uses the budget as a means of accountability for the money earlier entrusted and the appropriations newly approved.
- The budget stands for the request of the Executive arm of government for the legislature to collect and disburse funds.

2.1.2 Medium-Term Expenditure Framework (MTEF) Conceptualized

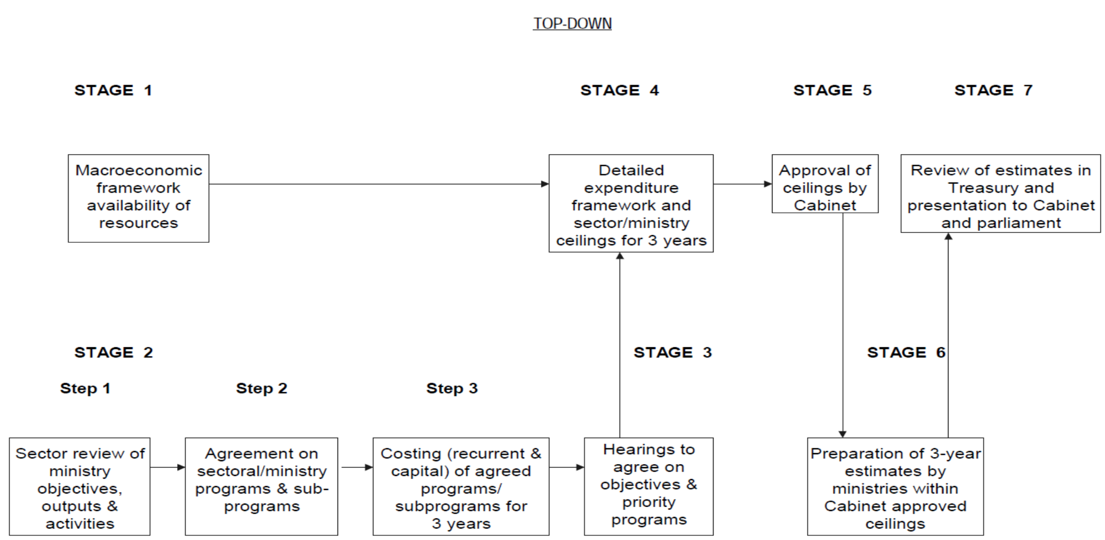
Smith (2015) described MTEF as a detailed income statement of the government over the next three years.According to Pascua (2005), MTEF entails annual budgeting system in which budget decisions relating to new programs and projects are made at every budget preparation session based on three-year fiscal scenarios, to ensure that projects financed for the next three years will be approved under the annual system and will be consistent with the baseline budgeting approach.In the view of Folscher (2007), MTEF is a comprehensive, government-wide spending plan that links policy priorities to expenditure allocations within a fiscal framework—linked to macroeconomic and revenue forecasts—usually over a three-year forward planning horizon. According to World Bank (2013), MTEFs take a strategic forward-looking approach to establishing priorities and allocating resources, which allows the level and composition of public expenditure to be determined in the light of emerging needs. MTEFs also require policy makers to look across sectors, programs, and projects to see how spending can be restructured to best serve established policy objectives.In the opinion of Wildavsky (1986), medium-term expenditure frameworks (MTEFs) constitute an approach to budgeting and public financial management (PFM) that addresses well-known shortcomings of annual budgeting, including shortsightedness, conservatism, and parochialism.

MTEFs are found in countries all across the world. Even though they have been around since the early 1980s, MTEFs did not gain prominence until the late 1990s (World Bank, 2013). MTEFs are not a recent innovation, but their spread around the world is a recent phenomenon. In one form or another, MTEFs have been around since at least the early 1980s, when Australia launched its forward estimates system (Holmes & Evans 2003). A few industrial countries followed suit in the 1980s and early 1990s (Denmark, New Zealand, the Netherlands, and Norway), but some African countries implemented MTEFs only in the late 1990s. The specific context in these countries (with the exception of South Africa) was the need to ensure a multi-year commitment of resources to policies included in poverty reduction strategy papers (PRSPs) (World Bank, 2013).

According to the World Bank's Public Expenditure Management Handbook (1998), failure to link policy, planning and budgeting may be the single most important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries. In many countries, the systems are fragmented. Policy making, planning and budgeting take place independently of each other. Planning is often confined to investment activities, which in many developing countries refers to a series of donor-funded projects. Capital expenditures are already largely accounted for through the planning process, and a large portion of recurrent expenditures are pre-committed to the wage bill. For this reason, annual budgeting is reduced to allocating resources thinly across donor and domestically funded "investment" projects and to the nonwage portion of the recurrent budget. In addition, line agencies tend to budget and spend on an ad hoc basis because even small discretionary allocations are rarely predictable. It outlined MTEF objectives to include: improves macroeconomic balance by developing a consistent and realistic resource framework; improve the allocation of resources to strategic priorities between and within sectors;increase commitment to predictability of both policy and funding so that ministries can plan ahead and programs can be sustained; and provide line agencies with a hard budget constraint and increased autonomy, thereby increasing incentives for efficient and effective use of funds.

2.1.3 Stages in the Preparation of MTEF

Preparation and implementation of an MTEF takes place through an integrated, bottom up/top-down strategic planning process consisting of seven main steps, each of which feeds into the next. These steps are represented in the diagram below:



Source: World Bank Public Expenditure Management Handbook (1998)

Given the foregoing, MTEF from the Nigerian perspective indicates that, Section 18 (1&2) of Fiscal Responsibility Commission (Establishment) Act 2007 (as amended) provides as follows: Annual Budget to be derived from Medium-Term Expenditure Framework – Notwithstanding anything to the contrary contained in this Act or any law, the Medium-term Expenditure Framework shall; Be the basis for the preparation of the estimates of revenue and expenditure required to be prepared and laid before the National Assembly under section 81 (1) of the Constitution. In addition, the sectoral and compositional distribution of the estimates of the expenditure referred to in subsection (1) of this section shall be consistent with the medium-term developmental priorities set out in the Medium Term-Expenditure Framework.

2.2 Empirical Review

Magani and Gichure (2018) conducted a research which examined the influence of public financial management reforms (PFMRs) on budget implementation by Kenyan city counties. The PFMRs studies included IFMIS Re-Engineering and fiscal decentralization. The study was based on modern portfolio theory, resource-based theory and stakeholder theory and relied on an ex-post-facto descriptive research design with a survey method to determine the relationships between the study variables. Structured questionnaires, data collection sheets and interview schedules were used to collect data which was then cleaned, coded and scrutinized thoroughly for completeness. The study relied on primary data collected from the treasuries, directorates of economic planning, budget offices, IFMIS departments and sectoral departments of Nairobi city county, Mombasa city county and Kisumu city county respectively. Secondary data was obtained from the annual county governments' budget implementation reports. The data was analyzed using SPSS version 24. Statistical measures such as means, percentages and standard deviation were used to interpret the data. The researcher also performed both a linear regression analysis and a Spearman correlation analysis to show the relationships between the study variables. The study revealed strong positive and statistically significant correlation between fiscal decentralization and budget implementation while IFMIS re-engineering had a negative and statistically insignificant correlation with budget execution. The Study concludes that the pursuit of further fiscal decentralization should be well calculated and regulated to ensure both the national and county governments remain relevant to the economy. The research recommended a complete decentralization of the integrated financial management information system operations and maintenance to county governments to enable the users have additional rights to operate it, but with stronger controls and strict monitoring.

Egbide, Eddy, Imoleayo, and Kingsley (2016) conducted a research study which investigated the influence of budget reforms specifically the Medium-Term Expenditure Framework (METF) and Fiscal Responsibility Act (FRA) on poverty reduction in Nigeria. Historical time series data were collected representing 7 years before and 7 years after the adoption of MTEF and 5 years before and 5 years after the enacment of FRA. The study utilized pre-test/post-testdesign of a paired sample t-test. The results revealed that poverty index (POI) in Nigeria reduced after the introduction of both MTEF and FRA. However, while the reduction after the introduction of MTEF was statistically significant, the reduction after the enacment of FRA was not insignificant.The research concluded that MTEF has had significant impact on the incidence of poverty in Nigeria, although the impact was not supported by improvement in the quality of budget management. The study recommened the enforcement of stricter adherence to budgetary and other public finance management reforms in order to generate impact on the economy.

Egbide, Sola, & Francis (2014) carried out a research on "The Impact of Budget Reforms on the Quality of Budget Management in Nigeria". They considered budget management reforms that were introduced in the Nigerian public service reforms undertaken from the inception of civilian administration in 1999. The research empirically investigated the impact of budget reforms on the quality of budget management in Nigeria. The Medium-Term Expenditure Framework (MTEF) and the Fiscal Responsibility Act (FRA) form the proxies for budget reforms, while budget discipline (BDISC) and fiscal discipline (FDISC) were used as proxies for the quality of budgeting. Historical time series data representing 7years before and 7 years after the adoption of MTEF, and 5 years before and 5 years after the enactment of FRA were collected and analysed using the pre-test/post-test design of a Paired Sample T-test. The result favoured the initial proposition that budget reforms (MTEF and FRA) had not significantly impacted on the quality of budget management (BDISC and FDISC) in Nigeria. The researchers concluded that budget reforms had not had any significant influence on the Nigerian budget management. In other words, the MTEF and FRA had not been able to tame the spate of indiscipline in Nigeria's budgetary process. It was, therefore, recommended that the government should provide the leadership and political will, not only to enforce the provisions of FRA, MTEF and other reforms, but to sanction those that short circuit the system to their advantage. This will go a long way to enhance compliance with the reforms and bring about the expected improvement in the quality of the nation's budget management.

Okpala (2014) carried out a research work which investigated the concept of MTEF and its relationship with budget effectiveness in Nigeria public sector. The study adopts a cross sectional survey research design. Six-point rating scaled structured questionnaire starting from highly ineffective to highly effective was used to elicit primary data from 258 selected members of the population which consists of senior staff of accounting, finance and internal audit department of Federal Ministry of finance, Fiscal Responsibility Commission and CBN. Statistical Package for Social Sciences (SPSS, IBM Version, 21) was used for processing and a Karl Pearson Product Moment Correlation Co-efficient technique was used for analysis to confirm the formulated hypotheses.The result shows that the MTEF positively and significantly correlates with budget process, sectoral planning, aggregate discipline and revenue estimation in Nigeria public sector. The study concluded that MTEF has influenced budget effectiveness by overcoming the shot sighted planning, irresponsible resource allocation, and has coordinated the linkage between policy, planning and budgeting which led to improved service delivery in the Nigerian public sector.The research recommended that government at all levels in Nigeria should be committed to the principle of MTEF. Furthermore, public servants concern with MTEF should be trained regularly to keep them abreast with the current trend in MTEF development.

Afiah and Rusmana (2014) carried out a research on "The Impact of Budgeting Approaches on the Budgeting Implementation and Local Governance (Study in Indonesia)". The methods employed for this research are descriptive and explanatory ones, surveying 36 Local Governments in Central Java-Indonesia. Data collection was conducted using surveying techniques with questionnaire complimented with observation. Secondary data were obtained by using the results of the audit reports of local government financial reports by the Supreme Audit Board (BPK) and the Ministry of Finance. The analysis method used is Path Analysis. The research was conducted from January until September 2009. The results showed that the implementation of the Medium-Term Expenditure Framework (MTEF) approach, unified budget, performance-based budgeting, and the implementation of local government budget, and the implementation of principles of good local government governance simultaneously affect the financial performance of local government by 65.84% in the condition of moderate impact. Partially, the implementation of budget has a dominant influence on the principles of good local governance.The research concludes that the implementation of MTEF, unified budget, and performance-based budgeting significantly affect the budget implementation, meaning that local government will be able to improve the quality of implementation of the local government's budget. The research recommended the adoption of the paradigm of the pillars of public finance reform (namely the Medium-Term Expenditure Framework (MTEF), unified budget and performance-based budgeting) should havemore enhanced role, so that the budget implementation of local governance will run well.

2.3 Theoretical Review

2.3.1 Stakeholder's Theory

The study will also be based on stakeholders' theory whose proponent is Freeman R.E. (1984). The theory posits that Corporations have stakeholders who benefit or are harmed by, and whose rights are violated or respected by corporate actions. Traditionally, a stakeholder is any group or individual who can affect or is affected by the achievement of the organization's objectives, (Fontaine, Haarman, & Schmid;

2006 as quoted in Mathenge, Shavulimo, & Kiama; 2017). The concept of stakeholders is a generalization of the notion of stakeholders who themselves have some special claim to the firm (Freeman, 1984). The organization should be thought of as a grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints.
The stakeholder's theory is one of the theories that underpins this research work. The executive arm of government is constitutionally the corporation that owns the MTEF and the Appropriation Act whereas the legislative arm, civil society organization and members of the general public are stakeholders who have interest in MTEF.

2.3.2 Agency Theory

According to Mathenge, Shavulimo, and Kiama (2017), the Agency theory is probably the most important theory of corporate governance both in private and public organizations. The theory was developed by Jensen and Meckling in 1976 but originated from the works of Berle and Means in 1932. Agency relationship is defined as a situation where one party (principal) appoints another (agent) to perform services on their behalf and delegates decision making authority to them. The underlying premise of this theory is that those individuals tasked with representation of others should ultimately commit the corporate resources to value maximization for those they represent. The agents are expected to exercise due diligence and care in making corporate decisions and ensure the interests of the principal are safeguarded.

This theory equally underpins this research work. The agency relationship exists between those charged with the responsibility of formulating and implementing the budget and the citizens. The citizens are the principal while the executive and legislative arms of government are the agents of the citizens whose job is to ensure maximisation of the resources of the nation through efficient allocation to MDAs in the budget. The Fiscal Responsibility Act (2007) as amended has defined this agent-principal relationship in terms of preparation of MTEF. Section 13 (1) of the act states that the Minister shall be responsible for the preparation of the Medium-Term Expenditure Framework. Hence, the Minister as an agent prepares the Medium-Term Expenditure Framework on behalf of the principal (general public/citizen). The following agencies of governmentare equally regarded as agents of the general public in the preparation of MTEF: National Planning Commission, Joint Planning Commission, National Commission on Developmental Planning, National Economic Commission, National Assembly, Central Bank of Nigeria, National Bureau of Statistics, Revenue Mobilisation Allocation and FiscalCommission, and Any other relevant statutory body as the Minister maydetermine. Section 13 (2) paragraph (b) of the Fiscal Responsibility Commission Act (2007) as amended provides that the Minister shall seek inputs of these agencies of government in the preparation of MTEF.

3. METHODOLOGY

This is an empirical research designed to assess the impact of MTEF on budget implementation in Nigeria. Empirical research was considered appropriate for this study because it entails the collection and analysis of quantitative data to explain the phenomenon of interest. This research work studied the implementation of annual budget before and after the adoption of MTEF in 2005. That is, attention was focused on eleven years pre-MTEF adoption and eleven years post-MTEF adoption. Secondary data were used for this study and they were gathered from sources which include Central Bank of Nigeria, Budget Office of the Federation, Federal Ministry of Finance, Office of the Accountant-General of the Federation, National Bureau of Statistics, Fiscal Responsibility Commission, and other relevant institutions. The research work has two variables one independent and one dependent. MTEF is the independent variablewhich is proxied by Federal capital budgetswhile budget implementation is the dependent variablewhich is proxied by actual capital expenditure.The population of this study is federal budgets of the Federal Government of Nigeria before and after the adoption of MTEF. The pre-MTEF implementation will cover federal budgets from 1994 to 2004 whereas the post-MTEF implementation will cover federal budgets from 2006 to 2016.

The secondary data gathered for the purpose of this research were analysed with the use of PSPP statistical software. Correlation coefficient (bivariate analysis) was used to ascertain the empirical relationship between MTEF and budget implementation for pre-MTEF and post-MTEF adoption. MTEF was proxied by budgeted capital expenditure while budget implementation was proxied by the actual capital expenditure. The researcher ran a Pearson Correlation coefficient analysis to show the relationship between the pre-MTEF capital budget and actual capital expenditure during the period and post-MTEF capital budget and actual capital expenditure during the period. The model for the study is analysed below:

$$Y1 = f(X1) \qquad (1)$$

$$Y2 = f(X2) \qquad (2)$$

Where:

$Y1$= Pre-MTEF actual capital expenditure,

$Y2$= Post-MTEF actual capital expenditure,

$X1$= Pre-MTEF capital expenditure budget and

$X2$= Post-MTEFcapital expenditure budget.

The formula for calculating the correlation coefficient for two variables X and Y is as follows:

$$r = \frac{\sum (X-\bar{X})(Y-\bar{Y})}{\sqrt{\sum (X-\bar{X})^2 \sum (Y-\bar{Y})^2}}$$

Where:

The symbols X and Y represent the sample of X and Y, respectively and r represents correlation coefficient.

The research also computed yearly percentage change in actual capital expenditure. This approach will assist in measuring the performance of capital budget year in year out and compare the aggregate percentage change for pre-MTEF and post-MTEF period.

4. RESULT AND DISCUSSION

Summary of Pre-MTEF and Post-MTEF Statistical Result

Category	**Correlation Coefficient** (r)	**Average Percentage of Actual capital Expenditure to Budgeted Capital Expenditure (%)**	**Sum ofYearly Percentage Change in Actual Expenditure (%)**
Pre-MTEF	0.5922	197.55	64.75
Post-MTEF	0.3452	77.20	-1.39

Source: Researcher's computation (2020)

Based on the outcome of pre-MTEF and post-MTEF statistical analysis summarized in table 4.3 above, the adoption of MTEF has not significantly impacted budget implementation in Nigeria. Although the two periods revealed a positive relationship between actual expenditure and budgeted expenditure, post-MTEF relationship is weak compared to pre-MTEF relationship which is relatively strong. The outcome of this analysis is in tandem with research work conducted by Egbide, Sola, & Francis (2014) on "The Impact of Budget Reforms on the Quality of Budget Management in Nigeria". The result of their research revealed that MTEF had not significantly impacted on the quality of budget management in Nigeria. The overall outcome of these researches did not go well with the prediction of the promoters of MTEF who believed that the adoption of MTEF will address the shortcomings of budgeting and brings about sustainable economic growth and development in the Nigerian economy.

5. CONCLUSION AND RECOMMENDATION

The concept of Medium-Term Expenditure Framework (MTEF) was introduced in Nigeria like other developing countries in order to eliminate problemsof shortsightedness and parochialism associated with annual budgeting. The Nigerian budget process in the mid-2000s was ad hoc, opaque, and poorly planned (Okonjo-Iweala, 2012). The incremental or traditional budgeting system in used in Nigeria does not create a link between planning, decision making and budgeting. Hence, MTEF was introduced to address the problem of picking the previous year budget and adding some percentage or activities into it to create the succeeding year budget. MTEF was equally introduced in Nigeria to address the problem of projects abandonment that has become rampant in all the tiers of government. MTEF in Nigeria is a three-year medium-term plan developed by the executive arm of government with inputs from major stakeholders such as civil society organization and the National Assembly which forms the basis for annual budget.Based on the outcome of pre-MTEF and post-MTEF statistical analysis presented in 4.3 above, the adoption of MTEF has not significantly impacted budget implementation in Nigeria. For the correlation coefficient, inasmuch as the two periods revealed a positive relationship between actual expenditure and budgeted expenditure, post-MTEF relationship is weak compared to pre-MTEF relationship which is relatively stronger.To further confirm this relationship position, the average percentage of actual capital expenditure to budgeted capital expenditure for post-MTEF is 77.20% as against pre-MTEF which has 197.5%. Using sum of year percentage change in actual expenditure as a criterion for measuring the impact of MTEF in budget implementation, pre-MTEF revealed a positive change of 64.75% whereas post-MTEF further exposed the inconsequential impact of MTEF on budget implementation with a -1.39%. In conclusion, MTEF adoption has not significantly impacted budget implementation in Nigeria.

Based on the conclusion drawn from data analyzed, the study recommends as follows:

i. The tapering of the bureaucracy involved in the release of appropriated funds to Ministries, Departments and Agencies (MDAs) of government.
ii. The procurement cycle for public procurement as enshrined in the Public Procurement Act (PPA) should be reviewed and amended to a maximum of four weeks. This is possible if technology is incorporated into the procurement processes.
iii. The meagre percentage of mobilization fees advanced to contractors for government awarded contracts should be reviewed and increase to at least fifty percent (50%) of the contract sum.
iv. The executive arm of government should seek the input of the appropriation committee of the National Assembly (Senate and House of Representative) during MTEF and budget proposal preparationin order to reduce parliamentarian time spend on the review of the MTEF and the budget proposals.
v. The appropriation act should be accompanied with key performance indicators (KPIs) that members of the public and other stakeholders can hold the government accountable to.
vi. The executive should sanction those MDAs that contribute to late submission of budget proposal to the National Assembly.

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