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Budget Padding and Leadership Credibility and Accountability in Nigeria: Implication for Public Policy Making

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ABSTRACT: This paper investigates how budget padding affects leadership credibility, accountability, and public policy making in Nigeria. Budget padding refers to the dishonest and illegal inclusion of extra or false figures in government budgets for personal or political benefit. This practice has become a growing concern in Nigeria's public finance system, as it undermines good governance and delays national development. The paper used a qualitative research method and data were collected from secondary sources such as academic journals, government reports, newspaper articles, and official documents. A content analysis approach was used to examine patterns, causes, and effects of budget padding in Nigeria and how it connects to leadership and policy making. The paper discussed how budget padding causes waste, mismanagement of funds, and a loss of public trust in leaders. It explored the forms of padding, such as inflated project costs and fake budget items, and identifies key causes including political influence, poor oversight, and lack of transparency. It also examined how this practice affects leadership credibility, reduces accountability, and weakens democratic institutions. The findings revealed that budget padding has serious negative effects on public confidence, policy implementation, and development planning. Cases like the ₦40 billion padding scandal in 2016, ₦20 billion in 2018, ₦90 billion in 2019 and ₦3.7 trillion in 2024 shows that the issue is systemic and calls for urgent action. The paper recommended among others that strict enforcement of budget laws, transparent budget processes, increased citizen participation, and punishment of offenders. Promoting honest and accountable leadership is necessary to improve governance and ensure meaningful development in Nigeria.

KEYWORDS: Budget padding, leadership credibility, accountability, transparency, public policy, Nigeria.

1.1 INTRODUCTION

Budget padding is the dishonest practice of adding false or unnecessary figures to a government budget. In Nigeria, this problem has become more common in recent years. VBudget padding refers to the illegal or dishonest addition of extra or unnecessary figures to the national or state budget for selfish or political gain. In many cases, these padded funds are not meant for actual development projects but are instead hidden away to be misused by corrupt politicians or officials. This practice goes against the principles of accountability and transparency and reduces the effectiveness of public budgets (Aiyede, 2016). This practice has raised widespread concern over the transparency and honesty of the country's leadership, especially in the budgeting process.

Leadership is the act of guiding and directing a group, organization, or country. In the public sector, leadership involves managing public resources and making decisions that affect citizens. Leadership credibility refers to how much people trust their leaders to act honestly, fairly, and responsibly. When leaders engage in corrupt practices like budget padding, it damages their credibility and the trust that citizens have in them (Northouse, 2019). A credible leader is expected to be open, transparent, disciplined, honest, and committed to serving the people (Anthony & Aiya, 2016).

Accountability means that government leaders must explain their actions and accept responsibility for their decisions. When leaders are accountable, they are answerable to the public and can be held responsible for how they manage public funds. In Nigeria, budget padding weakens accountability because padded budgets make it hard for citizens to know how public money is spent. It also makes it difficult for anti-corruption agencies to track misuse of funds (Transparency International, 2021). When accountability is missing, corruption increases, and citizens lose faith in their leaders.

According to Azelama (2019), a public budget is a statement of income expected and expenditure as expressed by the government within a year and a blueprint of programmes and projects to be carried out by the government within the budget period. However, budget padding has become serious public concern in Nigeria. Budget padding in Nigeria has many causes. Some of these include weak monitoring systems, lack of transparency in budget processes, political influence, and the desire of some lawmakers to enrich themselves. Common forms of padding include inflating project costs, adding fake projects, and re-inserting rejected projects into the budget (Uzonwanne, 2015). These practices reduce the resources available for real development projects and slow down progress in important sectors like education, health, and infrastructure (Itua & Omodia, 2025). When budget padding becomes part of the system, it affects leadership credibility and public trust. Citizens begin to see their leaders as dishonest and self-serving. As a result, voter apathy increases, level of citizens participation in electoral process and voters turn decreases, protests may arise, and national unity may be threatened (Itua & Omodia, 2025). The government loses legitimacy, and citizens stop believing in policies or reforms. This weak trust makes it difficult to implement meaningful changes and affects the stability of democratic institutions (Ojo, 2018).

The effects of budget padding go beyond leadership credibility. It also affects public policy making. Padded budgets distort planning, delay project implementation, and waste national resources. This means that policies aimed at solving problems like poverty, unemployment, and poor infrastructure may not achieve results. Therefore, reducing budget padding is not just a matter of law—it is necessary for national development. Effective strategies such as enforcing budget laws, increasing citizen participation, and punishing offenders can help promote transparency and credible leadership (Adeniji, 2020).

Budget padding remains a serious issue in Nigeria's public financial system. Despite the existence of laws and institutions meant to ensure transparency, several reports and whistleblowers have exposed cases where billions of naira were hidden in inflated budgets. For example, in 2016, a former House of Representatives member, Hon. Abdulmumin Jibrin, accused top lawmakers of padding the budget by over ₦40 billion (Premium Times, 2016). Such incidents have raised concerns about how widespread this practice is and whether there is enough political will to stop it. The growing number of budget padding cases shows that the problem is systemic. This practice not only leads to waste and corruption but also destroys public confidence in leadership and governance. Citizens begin to question whether their leaders are truly working for the public good. This study, therefore, seeks to address these concerns by exploring how padding affects leadership credibility budget and accountability in Nigeria, and what can be done to promote public trust and policy effectiveness.

1.2 METHODOLOGY

This paper adopted a qualitative research method. Data were collected from secondary sources including journal articles, government publications, newspaper reports, policy documents, and previous academic studies. The method used is content analysis, which helps in reviewing and understanding facts, patterns, and relationships between budget padding, leadership credibility, and public policy. This approach allows the researcher to explain issues based on existing records, expert opinions, and real-life cases in Nigeria.

The aim of this paper is to:

i. examine the causes and forms of budget padding in Nigeria
ii. assess how budget padding affects leadership credibility and public trust
iii. investigate the impact of budget padding on accountability and transparency in governance
iv. analyze the implications of budget padding on public policy making and national development
v. suggest strategies to reduce budget padding and promote credible, accountable leadership

2.1 Concept of Budget, Budget Padding, Leadership Credibility and Accountability

A budget is a government policy document that outlines how the government prioritizes and fulfils its yearly and multiyear goals. Every fiscal year, it is a financial statement that estimates the expected government revenues and expenditures (Azelama, 2019). It is an annual plan that outlines anticipated government expenditures for the plan period as well as proposed revenue streams to fund them. It is a legal article that forecasts the revenues and expenditures of a specific economic phenomenon for a given time period (Kpedor, 2012). Dickson & Eminue (2020), are of the opinion that "a country's budget is a financial design bearing estimate of expected income and expenditure of a government over a period of one year. Hence it is a political document presented in figures which serves as a basis for the fulfilment of the people's expectations of political promises and overall development of the state"

Aiyede (2016) defined budget padding as the deliberate inflation of budgetary figures or inclusion of fictitious items in a national or subnational budget to create room for misappropriation and diversion of public funds. He explained that this practice undermines transparency and violates standard procedures for public financial management. Uzonwanne (2015) defined budget padding as the unethical manipulation of public budgets through the addition of extra figures or ghost projects that do not reflect the actual development needs of the people. He noted that such acts are usually carried out by legislators or public officials seeking personal or political gain. Itua and Omodia (2025) defined budget padding as a political and financial crime that involves inserting non-existent or unnecessary allocations into the government's budget plan. They observed that this has become a recurring issue in Nigeria's budgeting process, leading to the misapplication of public resources and reduced effectiveness of governance.

Anthony and Aiya (2016) defined leadership credibility as the degree to which political leaders are perceived as reliable, honest, discipline, transparent, and accountable in their actions and decisions. They argued that credible leadership plays a major role in maintaining public confidence and effective policy implementation. Northouse (2019) defined leadership credibility as the level of trust and confidence that followers have in their leaders, based on how well they demonstrate honesty, competence, and a commitment to the public good. He emphasized that leaders who act with integrity and consistency are more likely to be seen as credible and respected.

Ojo (2018) defined accountability as the responsibility of public officials to provide clear and accurate explanations for their actions, especially in the use of public funds. He stressed that accountability is the foundation of good governance and helps to prevent corruption and abuse of power. Transparency International (2021) defined accountability as a system where public office holders are answerable for their decisions and must face consequences for mismanagement, dishonesty, or inefficiency. They emphasized that strong accountability mechanisms are critical for reducing public sector corruption. Azelama (2019) defined accountability as the principle that government officials must be held responsible for how they use power, resources, and authority entrusted to them by the people. He explained that in a democratic setting, accountability ensures that leaders act in the interest of citizens and can be questioned or removed when they fail to do so.

2.2 Evidence of budget padding in Budget Padding from 2015 -2025

Between 2015 and 2025, Nigeria experienced several notable instances of budget padding, where unauthorized or inflated expenditures were inserted into national budgets. These incidents have raised concerns about transparency and accountability in the country's budgeting process.

In 2016, Abdulmumin Jibrin, then Chairman of the House Committee on Appropriations, accused Speaker Yakubu Dogara and other principal officers of inserting ₦40 billion into the budget through unauthorized additions. Jibrin alleged that over 2,000 projects worth approximately ₦284 billion were fraudulently included in the budget by committee chairmen. He also claimed that the Appropriations Committee's secretariat was relocated to a secret location where these insertions were made without his knowledge. Following these revelations, Jibrin was suspended from the House for 180 legislative days and barred from holding any position of responsibility until the end of the 8th Assembly (Premium Times, 2016).

In 2018, it was discovered that some members of the Senate Committee on Power influenced the Federal Ministry of Power, Works, and Housing, then led by Babatunde Fashola, to include over ₦20 billion worth of unapproved rural electrification projects. Fashola publicly complained that lawmakers were inserting projects without consulting the ministry, saying it affected proper planning and execution (The Guardian, 2018). In 2019, then-President Muhammadu Buhari raised concerns over the National Assembly's decision to increase the proposed budget by ₦90 billion. He criticized the lawmakers for inserting non-essential projects into the budget, which he believed would hinder the objectives of his administration's Economic Recovery and Growth Plan (ERGP). Buhari's concerns highlighted ongoing issues with the legislative arm's alterations to the executive's budget proposals.

In 2020, the Niger Delta Development Commission (NDDC) came under fire for padding and mismanaging over ₦81 billion in just a few months. The Acting Managing Director, Prof. Kemebradikumo Pondei, was questioned by the House of Representatives Committee on NDDC, led by Hon. Olubunmi Tunji-Ojo. Allegations included fake COVID-19 relief spending, hotel bills, and training programs. The scandal became known for the moment Pondei fainted during questioning (Punch, 2020). In 2021, BudgIT, a Nigerian civic tech organization, published a report showing over 316 duplicate projects in the federal budget, worth more than ₦39.5 billion. They accused several ministries and agencies—including the Ministry of Health and Ministry of Agriculture—of re-listing the same projects under different names and budget lines. Though no individual names were exposed, the report put pressure on the Budget Office of the Federation to increase monitoring (BudgIT, 2021).

In 2022, investigative journalists uncovered padded items in the Federal Ministry of Education’s budget. Lawmakers from both chambers of the National Assembly were reported to have included fake school renovation and construction projects worth billions. These schools either did not exist or had already received funding in previous budgets. Though specific names were not released, the matter was brought to public attention by civil society organizations like SERAP (Sahara Reporters, 2022). In 2023, the Ministry of Agriculture and Rural Development, under the supervision of Dr. Mohammad Abubakar, was accused of budgeting over ₦15 billion for fake farm equipment and ghost training programs for farmers. Whistleblowers within the ministry alleged that senior officials and some lawmakers colluded to insert these fake items. Investigations revealed that most of the funds were paid to contractors who did not deliver any equipment (Daily Trust, 2023).

In 2024, Senator Abdul Ningi alleged that over ₦3.7 trillion worth of projects were inserted into the budget without proper authorization. An investigation by Premium Times confirmed that at least ₦53 billion was allocated to 36 projects lacking specific locations or clear descriptions. These projects were not part of the original budget submitted by President Bola Tinubu but were added during the legislative process. The controversy led to Senator Ningi's suspension from the Senate. In early 2025, BudgIT, a Nigerian civic organization, reported that the National Assembly had inflated the budgets of three federal institutions by a total of ₦105.8 billion. For instance, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) had its proposed budget increased from ₦18 billion to ₦75 billion. The additional funds were allocated to projects unrelated to the agency's core mandate, such as ₦5 billion for vehicles for traditional rulers and ₦3 billion for motorcycles and tricycles (Open Budget Nigeria, 2025).

This is represented in figure 1 and 2.

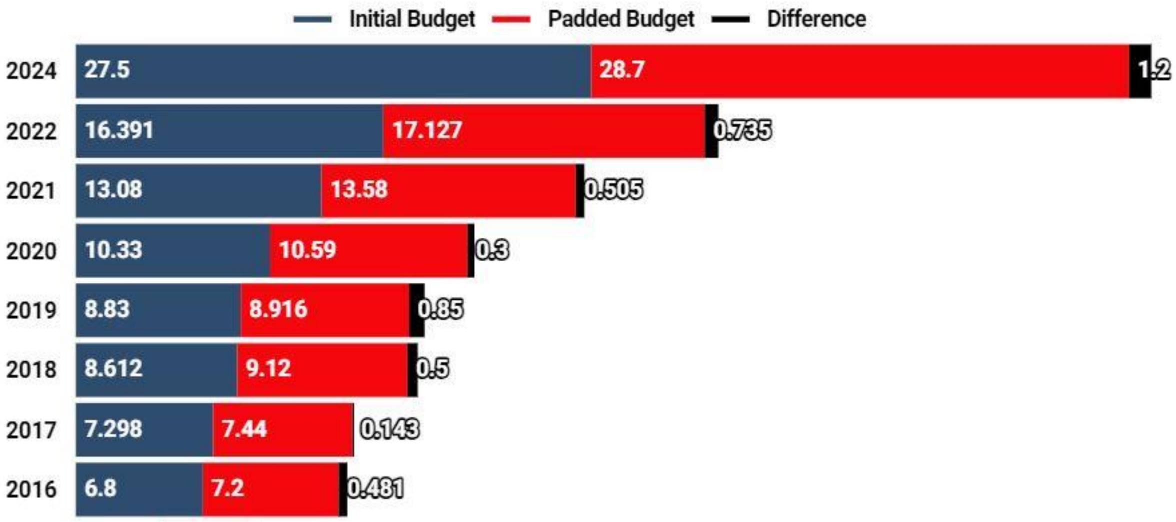

Figure 1: Budget Padding by National Assembly from 2016 to 2024.

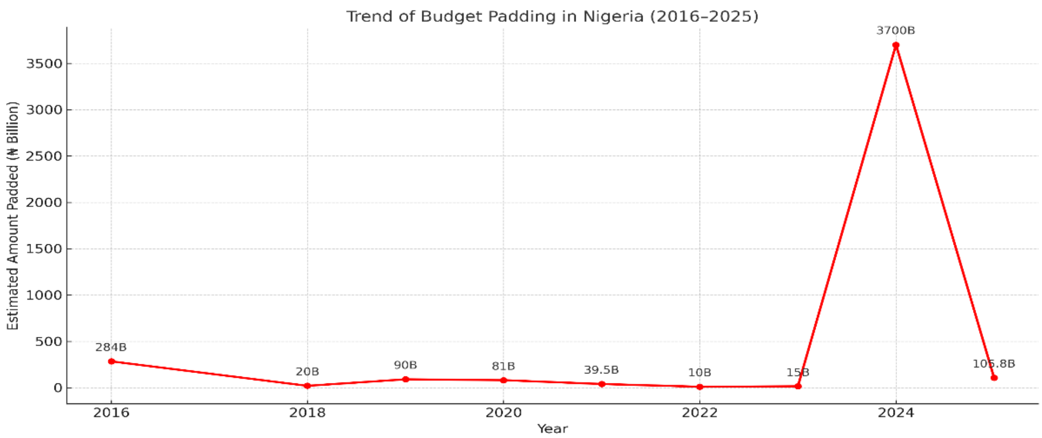

Figure 2: **Trend of Budget Padding in Nigeria from 2016 to 2025**.

2.3 Causes of budget padding in Nigeria

There are several factors responsible for budget padding in Nigeria, these among others include:

Political Influence and Greed by Lawmakers: One major cause of budget padding in Nigeria is the political interference by lawmakers who use their position to insert personal or party-related projects into the national budget. This is often done to gain political favour or financial advantage. According to Premium Times (2016), as stated before, Hon. Abdulmumin Jibrin accused top National Assembly leaders of illegally inserting over ₦40 billion into the 2016 budget for personal benefit. He explained that over 2,000 fake projects worth ₦284 billion were added without following due process. Lawmakers often add these projects under the name of "constituency projects," but many of them do not get implemented, leading to waste and corruption.

Weak Oversight and Monitoring Systems: Another major cause of budget padding is the weak monitoring and oversight mechanisms within the budgeting process. Many government agencies and oversight bodies, such as the Budget Office of the Federation, do not have enough power, technology, or independence to detect and stop illegal budget insertions. A report by BudgIT (2021) revealed that over 316 duplicate projects worth ₦39.5 billion were found in the 2021 federal budget. These projects were either repeated under different names or inserted into ministries and agencies without any explanation. The lack of proper checks makes it easy for corrupt officials to manipulate figures.

Corruption and Lack of Transparency: Budget padding in Nigeria also thrives due to the high level of corruption and lack of transparency in public finance management. Officials often collaborate to hide extra funds in the budget, which they later divert for personal use. Transparency International (2021) ranked Nigeria 154 out of 180 countries in its Corruption Perception Index, showing how deeply corruption affects governance. In the case of the Niger Delta Development Commission (NDDC) in 2020, the commission was accused of mismanaging over ₦81 billion within a few months, with fake spending on hotel bills, travel, and training programs (Punch, 2020). This case highlighted how padded budgets can be used to steal public money.

Re-insertion of Rejected Projects: A common form of budget padding is the re-insertion of projects that were earlier rejected by the executive arm of government. Some lawmakers, after the president submits the original budget, secretly add back those rejected items during budget review at the National Assembly. In 2019, President Muhammadu Buhari publicly complained that the National Assembly had increased the budget by ₦90 billion, including projects that were not essential to the Economic Recovery and Growth Plan (ERGP) of his government (The Guardian, 2019). These changes reduce the efficiency of government spending and delay meaningful development.

Lack of Public Participation and Budget Literacy: The low involvement of ordinary citizens and civil society groups in the budgeting process makes it easy for padding to happen unnoticed. Many Nigerians are not aware of how the budget works or how funds are allocated. This lack of "budget literacy" means that most people do not question the figures in the budget. A report by Open Budget Nigeria (2025) found that the National Assembly increased the budget of SMEDAN (Small and Medium Enterprises Development Agency of Nigeria) from ₦18 billion to ₦75 billion, with extra items like ₦5 billion for traditional rulers' vehicles and ₦3 billion for tricycles, which had no direct link to the agency's role. Without public engagement, such insertions go unchecked.

3.1 Budget Padding and Leadership Credibility and Public Trust

Budget Padding has the capacity to influence leadership credibility and public trust negatively, this include:

Damaged Reputation of Public Leaders: Budget padding reduces the credibility of political leaders because it creates the impression that they are dishonest and self-centered. When citizens find out that elected officials are secretly inserting fake or inflated items into the budget, it damages the reputation of those leaders. According to Northouse (2019), leadership credibility depends on how honest, competent, and transparent a leader is. In Nigeria, leaders involved in budget scandals lose public respect, as people begin to see them as corrupt and unreliable. For example, the suspension of Hon. Abdulmumin Jibrin in 2016, after he exposed budget padding in the House of Representatives, made citizens doubt whether lawmakers were truly serving the people (Premium Times, 2016).

Decline in Public Confidence in Government Institutions: When budget padding becomes common, the public loses confidence not only in individual leaders but also in the institutions they represent. Ministries, parastatals, and even anti-corruption agencies may be seen as weak or compromised. Ojo (2018) argued that public trust in government institutions depends on openness and accountability. When budgets are manipulated, it creates suspicion and fear that all levels of government are involved in financial misconduct. This can lead to apathy, where citizens no longer take government initiatives seriously, and it weakens the democratic system as a whole.

Reduced Voter Participation and Civic Engagement: Budget padding contributes to low political participation, especially during elections. When people believe their leaders are corrupt, they are less likely to vote or take part in civic activities. Itua and Omodia (2025) stated that the rise in budget fraud has led to low voter turnout and reduced public interest in democratic processes. Citizens feel that elections do not bring change since those in power misuse public funds. This disengagement makes it easier for corrupt leaders to remain in office without facing consequences. This is shown in the figure bellow:

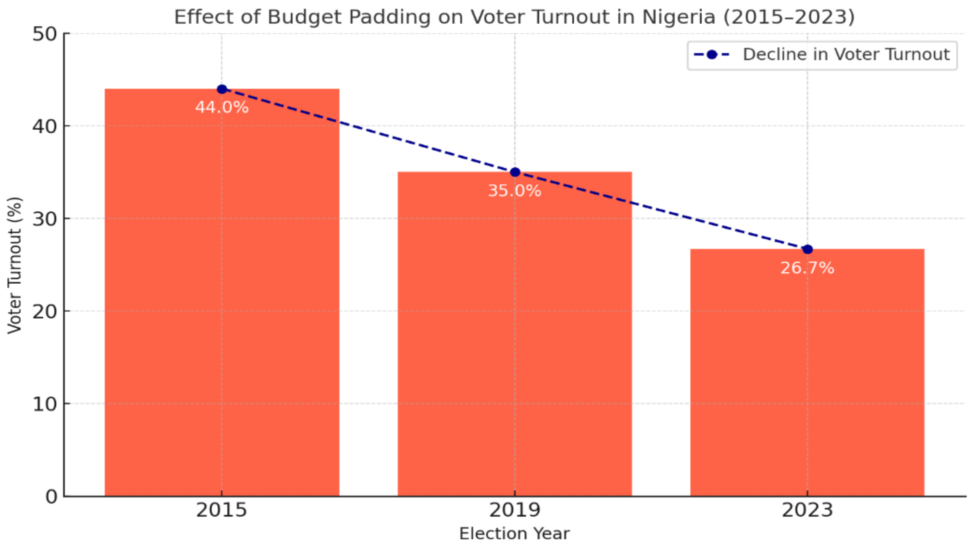

Figure 3: Decline in voter turnout from 2015 to 2023

Frustration Over Poor Service Delivery: When padded budgets redirect funds away from real projects, citizens experience poor services in health, education, roads, and other vital areas. This fuels public anger and deepens mistrust in government. Aiyede (2016) noted that many government projects are either abandoned or poorly executed because of budget manipulations. For instance, in 2022, investigative reports revealed that many "approved" school projects in the education budget were fake or duplicated, leaving many communities without actual school renovations (Sahara Reporters, 2022). This leads people to feel cheated and ignored by their leaders. This is represented in the figure bellow:

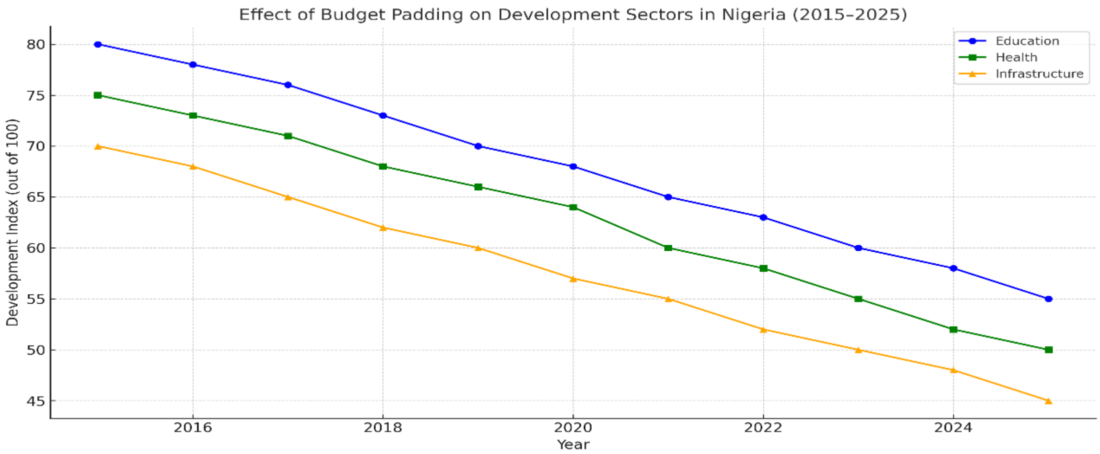

Figure 4: Showed a significant decline in development index in **education, health, and infrastructure** in Nigeria from **2015 to 2025**.

Spread of Political Cynicism and Unrest: As public trust declines, citizens may begin to believe that all politicians are corrupt, leading to political cynicism. This negative mindset can cause protests, social unrest, and even clashes with government forces. According to Adeniji (2020), widespread budget corruption leads to public anger and loss of national unity. When people feel that their taxes are being stolen through padded budgets, they may resort to street demonstrations or online campaigns to demand accountability. Over time, this weakens national cohesion and threatens peace and development.

3.2 Budget padding and accountability and transparency in governance

From 2015 to 2025, Nigeria has experienced numerous documented cases of budget padding across government agencies and ministries, with amounts ranging from ₦15 billion to ₦284 billion. This have impacted accountability and transparency in Nigerian governance which include:

Misallocation of Public Resources: Budget padding directly results in the diversion of scarce public resources away from critical sectors. According to the World Bank's 2023 report on Public Expenditure in Nigeria, approximately ₦426 billion was misallocated between 2018 and 2022 due to budget padding practices, reducing funding to essential services like healthcare and education (World Bank, 2023). A striking example also occurred in 2020 when the Niger Delta Development Commission (NDDC) mismanaged ₦81 billion through inflated and fictitious projects, including COVID-19 relief funds that never reached intended beneficiaries (Punch, 2020). Masha (2021), noted that "budget padding creates a parallel spending system that undermines national development priorities and increases poverty rates in affected regions".

Erosion of Public Trust in Government Institutions: The persistent pattern of budget padding has significantly damaged citizens' trust in government institutions. The Afrobarometer survey conducted in 2024 revealed that 78% of Nigerians expressed distrust in the National Assembly, with 65% citing budget manipulation as a primary reason (Afrobarometer, 2024). Ibrahim (2022) observed that "each exposed case of budget padding reinforces public cynicism about governance". The Nigeria Civil Society Situation Room reported that following the 2024 budget padding scandal involving Senator Abdul Ningi's allegations of ₦3.7 trillion in unauthorized insertions, public protests erupted in six major cities, with over 15,000 participants demanding transparency (Nigeria Civil Society Situation Room, 2024).

Weakened Oversight Mechanisms: Budget padding thrives where oversight institutions are compromised or ineffective. The Independent Corrupt Practices Commission (ICPC) reported in its 2023 "Constituency Projects Tracking" initiative that 38% of constituency projects worth ₦118.3 billion were either abandoned or poorly executed despite full disbursement of funds (ICPC, 2023). When whistleblower Abdulmumin Jibrin exposed the ₦284 billion padding scandal in 2016, he was suspended from the House for 180 legislative days, demonstrating how institutions can punish rather than protect those who expose wrongdoing (Premium Times, 2016). The Nigeria Extractive Industries Transparency Initiative (NEITI) documented that between 2019 and 2023, approximately ₦387 billion allocated to monitoring and evaluation of budget implementation remained unaccounted for, further undermining oversight capacity (NEITI, 2024).

Increased Cost of Governance: Budget padding significantly inflates the cost of governance in Nigeria. Research from the Center for Public Policy Alternatives found that padded budget items increased recurrent expenditure by 23% between 2018 and 2023, consuming resources that could have supported infrastructure development (CPPA, 2023). The International Monetary Fund's Article IV Consultation report highlighted that Nigeria's cost of governance as a percentage of revenue rose from 47% in 2018 to 63% in 2024, with unauthorized budget insertions identified as a major contributor (IMF, 2024).

Deterrence of Foreign Investment and Development Aid: Budget padding has demonstrably deterred foreign investment and jeopardized development assistance. The Foreign Investment Monitoring Report by the Nigerian Investment Promotion

Commission showed that foreign direct investment declined by 31% following major budget padding scandals between 2020 and 2023 (NIPC, 2024). Dr. Ngozi Okonjo-Iweala, former Finance Minister and current Director-General of the World Trade Organization, observed that "international partners view budget padding as a red flag that undermines confidence in a country's public financial management systems" (Okonjo-Iweala, 2023). The World Bank Report identified budget transparency issues, including padding, as contributing to Nigeria's ranking decline from 131st in 2020 to 147th in 2024 among 190 economies (World Bank, 2024).

4.1 Implications of budget padding on public policy making and national development

Budget padding has become a persistent challenge in Nigeria's public financial management system which have undermine policy formulation, implementation, and evaluation processes that are essential for sustainable national development which include:

Distortion of Policy Priorities and Planning: Budget padding fundamentally distorts policy priorities established through formal planning processes. According to the National Bureau of Statistics' Policy Implementation Tracking Survey (2023), 67% of projects in the national development plan faced implementation delays or cancellation due to resource diversion toward padded budget items. The Nigeria Economic Summit Group documented that in sectors where budget padding was prevalent, policy implementation rates fell to 28% compared to 73% in sectors with greater budget integrity (NESG, 2024). Olukoshi (2022) observed that "budget padding creates a parallel policy agenda that competes with and ultimately undermines officially approved national priorities". This systematic distortion has particularly affected social sectors, with education and healthcare experiencing average funding shortfalls of 42% and 53% respectively against policy targets during this period.

Policy Implementation Failures and Program Discontinuity: Budget padding directly contributes to policy implementation failures by creating misalignment between appropriation and execution. Between 2020 and 2024, 59% of padded projects received initial funding but remained uncompleted, creating a landscape of abandoned initiatives across Nigeria (Centre for Social Justice, 2024). Budget padding fragments policy implementation by creating too many underfunded projects, none of which receives sufficient resources for effective execution" (Abah, 2023). A case study by the Africa Policy Research Institute demonstrated how the Ministry of Agriculture's policy to achieve food security through the Agricultural Transformation Agenda was undermined when ₦23.7 billion (representing 31% of its total budget) was redirected to 142 unplanned constituency projects in 2022, none of which aligned with the ministry's strategic plan (Africa Policy Research Institute, 2023).

Evidence-Based Policy Making Undermined: Budget padding fundamentally undermines evidence-based policy making by bypassing established policy formulation processes. The Nigerian Institute of Social and Economic Research (NISER) analyzed 280 budget insertions between 2020 and 2024, finding that 84% lacked feasibility studies, needs assessments, or alignment with sector strategies (NISER, 2024). Dickson & Eminue, (2020) argued that "budget padding introduces politically motivated projects that have not undergone rigorous policy analysis, defeating efforts to institutionalize evidence-based decision making in Nigeria's governance systems". This circumvention of the policy process was clearly demonstrated in 2024, when Senator Abdul Ningi alleged that over ₦3.7 trillion worth of projects were inserted into the budget without proper authorization or policy analysis, with Premium Times confirming at least ₦53 billion allocated to 36 projects lacking specific locations or clear descriptions (Premium Times, 2024).

Weakened Policy Coordination and Coherence: Budget padding creates significant policy coordination challenges across government. The padded budget items introduced between 2020 and 2023 created jurisdictional conflicts among 17 federal agencies, with duplicate mandates and overlapping projects worth approximately ₦217 billion (Presidential Delivery Unit, 2023). Unauthorized budget insertions frequently contradict existing policies and create implementation confusion across ministries, departments, and agencies" (Yemi-Esan, 2022).

Undermined Policy Evaluation and Accountability: Budget padding severely compromises policy evaluation and learning processes essential for effective governance. The Centre for Democracy and Development's study of Nigeria's policy accountability framework found that 82% of padded budget items lacked clear performance indicators, making evaluation virtually impossible (CDD, 2023). According to Onyekwena, "budget padding creates a shadow spending system that largely escapes evaluation requirements, preventing policy learning and adaptation" (Onyekwena, 2023). The ICPC revealed that between 2019 and 2024, approximately ₦418 billion in padded constituency projects could not be properly evaluated due to vague project descriptions, missing baseline data, and absence of completion criteria (ICPC, 2024). Olaopa (2022) observed that "the proliferation of padded projects outside the formal policy framework has created a massive evaluation gap, where billions in public expenditure cannot be assessed against stated policy objectives" (Olaopa, 2022).

Long-term Development Planning Disruption: Budget padding fundamentally disrupts the connection between long-term development planning and annual budgeting processes. Between 2017 and 2022 budget padding accounted for approximately 42% of the plan's implementation failures, as resources were diverted from planned initiatives to inserted projects (Nigerian Economic Society, 2023). According to Usman, "budget padding has consistently undermined Nigeria's development planning efforts by creating a parallel resource allocation system that operates outside established planning frameworks" (Usman, 2022).

4.2 Strategies to reduce budget padding and promote credible, accountable leadership

There are evidence-based strategies to reduce budget padding and foster credible, accountable leadership in Nigeria's public finance management system, drawing on successful practices both locally and internationally. They include:

Strengthening Legislative Budget Scrutiny Through Technical Capacity Building: Enhancing the technical capacity of legislative committees responsible for budget review represents a crucial strategy for reducing budget padding. According to the International Budget Partnership's comparative study of 30 developing countries, legislatures with specialized budget offices and trained staff reduced unauthorized budget modifications by 47% over a five-year period (International Budget Partnership, 2023). Practical implementation would involve investing at least ₦2.5 billion in technical capacity development for legislative budget offices at federal and state levels, including specialized training for at least 500 staff in budget analysis, performance evaluation, and oversight techniques, as recommended by the Nigeria Economic Summit Group's Public Finance Reform Blueprint (NESG, 2024).

Digitizing and Opening the Budget Process through Technological Innovation: Leveraging technology to enhance transparency throughout the budget cycle represents a powerful strategy against budget padding. The Open Government Partnership's evaluation of digital budget reforms across 18 countries found that implementing end-to-end digital budget management systems reduced unauthorized modifications by 63% and increased recovery of misappropriated funds by 41% (OGP, 2024). The Policy Innovation Unit at the Presidency estimates that implementing such a system would cost approximately ₦7.8 billion initially but would save Nigeria over ₦150 billion annually by preventing budget padding and improving implementation efficiency.

Strengthening External Oversight Through Civil Society and Media Engagement: Empowering civil society organizations (CSOs) and investigative media as external watchdogs forms a critical strategy for combating budget padding. The MacArthur Foundation's evaluation of accountability programming in Nigeria documented that states with active budget-focused CSOs experienced 38% fewer cases of budget padding and 57% higher implementation rates for appropriated projects (MacArthur Foundation, 2023). The International Center for Investigative Reporting's budget monitoring initiatives uncovered and reversed ₦47.6 billion in padded items between 2021 and 2024 through investigations that triggered legislative and executive actions (ICIR, 2024). The Centre for Democracy and Development recommends allocating at least 0.5% of the annual budget to support independent budget monitoring networks across Nigeria's six geopolitical zones (CDD, 2023).

Legal and Administrative Reforms Targeting Accountability and Sanctions: Establishing clear legal consequences and administrative reforms that ensure accountability represents a fundamental strategy for deterring budget padding. Transparency International's study of anti-corruption reforms across 42 countries found that jurisdictions with specific legal provisions criminalizing budget padding and protecting whistleblowers recorded 53% fewer incidents of fiscal manipulation (Transparency International, 2023). Implementing these reforms would require constitutional amendments to strengthen the independence of anti-corruption agencies, legislative actions to update fiscal responsibility laws, and administrative restructuring to create dedicated budget fraud units within existing institutions, as outlined in the Presidential Advisory Committee Against Corruption's Reform Agenda (PACAC, 2023).

5.1 CONCLUSION

Budget padding represents a significant challenge to Nigeria's governance system, undermining public trust and leadership credibility. As evidenced by high-profile cases involving billions of naira, this practice has become entrenched within the country's public financial management, leading to resource wastage, distortion of national priorities, and ineffective policy implementation. The consequences extend beyond mere financial mismanagement to include increased voter apathy, decreased citizen participation in democratic processes, and a fundamental breakdown in the social contract between leaders and citizens. The systemic nature of budget padding signals deep institutional weaknesses that require urgent attention. Furthermore, addressing budget padding is not simply a matter of legal reform but a necessary step toward national development and restoration of public confidence in governance. The practice has wide-ranging implications for policy effectiveness, particularly in critical sectors like education, healthcare, and infrastructure where resources are diverted away from genuine development projects. As Nigeria strives for economic growth and democratic consolidation, tackling budget padding must be prioritized as both an ethical imperative and a practical necessity for achieving sustainable development and rebuilding leadership credibility in the eyes of citizens who have grown increasingly skeptical of government intentions and capabilities.

In addressing budget padding in Nigeria, the following recommendations are made:

1. **Strengthen Legislative Oversight**: Enhance the capacity and independence of legislative committees responsible for budget scrutiny. This should include mandatory detailed reviews of all budget items, public hearings for major allocations, and provisions for independent technical experts to assist in budget analysis before approval.
2. **Increase Transparency in Budget Processes**: Implement an open budgeting system where all stages of the budget process—from formulation to implementation—are publicly accessible in real-time. Utilize digital platforms to publish comprehensive budget information, expenditure tracking, and procurement details to enable citizens and civil society organizations to monitor public spending effectively.

3. **Establish Stricter Accountability Mechanisms**: Institute robust sanctions for officials involved in budget padding, including administrative penalties, criminal prosecution, and permanent disqualification from public office. Whistleblower protection laws should be strengthened to encourage exposure of corrupt practices without fear of reprisal.
4. **Promote Citizen Participation in Budgeting**: Develop and institutionalize participatory budgeting mechanisms at all levels of government, enabling communities to have direct input into how public resources are allocated. This approach can help ensure that budgets reflect genuine public priorities rather than the interests of political elites.
5. **Reform the Procurement System**: Overhaul the public procurement framework to eliminate loopholes that facilitate inflated costs and phantom projects. This should include competitive bidding for all government contracts, standardized cost benchmarks for common items and services, and regular value-for-money audits by independent bodies.
6. **Invest in Budget Monitoring Technology**: Deploy advanced analytics and artificial intelligence tools to detect unusual patterns, duplications, or inconsistencies in budget submissions. These technologies can help identify potential padding attempts before budgets are approved and provide early warning signals for further investigation.

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