

## Evaluating Budget Implementation and its Impact on Development in Biase and Akpabuyo Local Government Areas of Cross River State

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### Abstract

This empirical study investigates the relationship between budget implementation and development outcomes in Biase and Akpabuyo Local Government Areas (LGAs) of Cross River State, Nigeria. Using a mixed-method approach, data were gathered from 300 respondents, including government officials, community leaders, and residents. The study assesses the effectiveness of budget execution processes and their implications for service delivery in education, healthcare, infrastructure, and rural development. Findings reveal significant gaps in financial accountability and implementation capacity, contributing to poor development outcomes in rural communities. The results suggest that efficient budget implementation is a key driver of local development. Based on the findings, recommendations include enhancing transparency, promoting participatory budgeting, and strengthening institutional capacity.

**Keywords:** *Budget Implementation, Local Development, Fiscal Governance, Service Delivery*

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## **Background to the Study**

Budget implementation is a critical aspect of fiscal governance that determines the realization of development plans and service delivery at the local level. In Nigeria, despite regular budget formulations at various tiers of government, disparities persist between budget allocations and actual outcomes. Local governments (LGs), as the closest tier to the people, are expected to drive grassroots development through effective budget execution. However, empirical evidence suggests that challenges in implementation often hinder the attainment of development goals (Olanipekun, 2021).

Despite increased fiscal allocations to local governments in Cross River State, development outcomes remain inadequate, especially in critical sectors like infrastructure, education, and health. Reports from previous years indicate that poor budget implementation, corruption, and lack of community involvement may account for this disparity. The absence of accountability mechanisms has further complicated the monitoring and evaluation of local government projects. Biase and Akpabuyo LGAs in Cross River State present unique contexts for evaluating budget performance due to their socio-economic characteristics and persistent development gaps. This study aims to examine the extent to which budget implementation has translated into tangible development outcomes in these areas.

## **Research Objective**

The objective of the study is to evaluate the relationship between budget implementation and development outcomes in Biase and Akpabuyo Local Government Areas.

## **Research Hypothesis**

H<sub>0</sub>: There is no significant relationship between budget implementation and development outcomes in Biase and Akpabuyo LGAs.

## **Literature Review**

### **Conceptual Clarifications**

#### **Budget Implementation**

Budget implementation refers to the process by which allocated public funds, as approved by a governing body, are expended for development initiatives and public services. It encompasses procurement, project execution, cash management, and auditing functions. According to Olurankinse (2013), budget implementation is a critical phase in public financial management because it ensures that budgetary allocations are converted into tangible outcomes that benefit the populace. The effectiveness of this phase often determines the degree of socio-economic development within a jurisdiction.

#### **Service Delivery**

Service delivery refers to the provision of essential public goods and services—such as health care, education, sanitation, roads, and water supply—by government institutions to meet the needs of the people. As posited by Grindle (2007), effective service delivery is an outcome of sound policy design, adequate funding, and efficient implementation practices. In the context of local government, the delivery of services is fundamental to public welfare and grassroots development.

### **Local Government Administration**

Local government administration involves the management of public affairs at the grassroots level. It is the tier of government closest to the people and is tasked with the responsibility of promoting participatory governance and ensuring the delivery of public services in a responsive and accountable manner (Arowolo, 2011). The effectiveness of local government is often measured by its ability to manage resources, implement budgets, and deliver services efficiently.

### **Community Participation**

Community participation in governance refers to the active involvement of citizens in decision-making processes, including the formulation, implementation, and monitoring of public policies and budgets. According to UNDP (1993), such participation strengthens democratic governance and increases development effectiveness by ensuring that local needs and priorities are reflected in government actions.

### **Budget Implementation at the Local Government Level**

Budget implementation at the local government level is a dynamic process involving the allocation and disbursement of financial resources toward approved developmental objectives. It goes beyond the passage of the budget to include all the mechanisms and procedures required to execute the approved fiscal plan. Ezeani (2006) underscores that successful budget implementation hinges on strong institutional frameworks, timely fund release, competent personnel, and effective monitoring mechanisms.

In Nigeria, the local government budget serves as a financial blueprint for grassroots development. However, inconsistencies in fund disbursement from higher tiers of government and delays in procurement processes often derail project timelines. Okotoni (2006) also notes that weak financial oversight and poor accounting practices further complicate the execution process. Thus, a well-implemented budget is not only a reflection of fiscal discipline but also a determinant of developmental efficiency at the local level.

The quality-of-service delivery at the grassroots is largely contingent upon how efficiently budgets are executed. Effiom and Eyo (2021) argue that budget execution serves as a bridge between policy formulation and tangible outcomes, especially in critical sectors such as health, education, and infrastructure. Poor budget execution often results in delays, abandoned projects, or substandard services, all of which affect citizen welfare and public trust.

Empirical studies have demonstrated that when local governments implement their budgets effectively, the outcomes include improved access to education, reduced maternal mortality, better road networks, and enhanced agricultural productivity (Ogunyemi, 2016). Conversely, ineffective implementation undermines these gains, resulting in developmental stagnation. According to Ekpo and Ndebbio (1998), the absence of transparency and accountability in the use of budgeted funds can significantly erode service delivery capacities at the local level.

### **Community Participation and Development Outcomes**

Community participation plays a critical role in enhancing budget credibility, transparency, and development outcomes. The World Bank (1996) asserts that participatory budgeting ensures that resource allocation aligns with local needs, thereby improving efficiency and service responsiveness. Citizens who are involved in identifying priorities and monitoring projects tend to hold government accountable and ensure judicious use of public funds.

Akinola (2010) emphasizes that participatory governance enhances development sustainability by fostering a sense of ownership among community members. When people are engaged in budget discussions and project execution, there is greater transparency and reduced incidence of elite capture or resource mismanagement. Moreover, citizen involvement promotes social learning and civic engagement, which are essential for democratic consolidation. In the Nigerian context, local governments that incorporate town hall meetings, budget hearings, and community development committees in their governance processes often report higher levels of project success and satisfaction among residents (Olumide & Olayiwola, 2014). However, challenges such as limited awareness, low literacy levels, and lack of access to budget information often inhibit meaningful community engagement.

### **Constraints to Effective Budget Implementation**

Effective budget implementation in local government areas is often hindered by a range of structural and institutional challenges. Oviasuyi, Idada, and Isiraojie (2010) identify key constraints including political interference, where elected officials manipulate project allocations for personal or partisan gains, thereby compromising developmental priorities. Bureaucratic bottlenecks, such as cumbersome procurement procedures and delayed approval processes, further slowdown project implementation. Additionally, the lack of technical and managerial capacity among local government staff often leads to poor planning, weak execution, and inadequate monitoring of budgeted projects (Adeyemo, 2005).

Another significant constraint is the irregular and insufficient statutory allocations from the federal and state governments, which results in a mismatch between planned expenditures and available resources. This financial unpredictability often causes budget revisions and the downsizing or outright abandonment of projects, as observed by Aghayere (1997). Corruption and lack of transparency in contract awards and fund disbursement also continue to plague local governments.

### **Methodology**

This study employed a mixed-methods approach, integrating both quantitative and qualitative research techniques to provide a comprehensive analysis. The study was conducted in Biase and Akpabuyo Local Government Areas (LGAs), located within the Southern Senatorial District of Cross River State. Biase is largely rural, with agriculture serving as the predominant economic activity, whereas Akpabuyo is semi-urban and characterised by a mix of commercial, artisanal, and subsistence livelihoods. Both LGAs are marked by infrastructural deficits and governance-related challenges.

A total of 300 respondents were selected using stratified random sampling, ensuring representation across various demographic and community groups. Data collection instruments included structured questionnaires for quantitative data and key informant interviews to gather qualitative insights from local stakeholders. Data were analysed using descriptive statistics to summarise patterns and inferential statistics, including Chi-square tests and regression analysis, to examine relationships between budget implementation and development outcomes.

**Data Presentation and Analysis**

**Table 1:** Respondents' Perception of Budget Implementation Effectiveness

Perception Category	Frequency	Percentage
Very Effective	35	11.7%
Moderately Effective	98	32.7%
Ineffective	167	55.6%
Total	300	100%

**Source:** Field work, 2024

Table 1 shows respondents' views on how effectively budgets are implemented in their local government areas. A majority—167 respondents (55.6%)—rated budget implementation as ineffective, highlighting widespread dissatisfaction. 98 respondents (32.7%) felt it was moderately effective, while only 35 respondents (11.7%) considered it very effective. These findings suggest that budget implementation is generally perceived as poor, which may undermine local development and poverty reduction efforts.

**Table 2:** Chi-Square Test on Budget Implementation and Development Outcomes

Variable	$\chi^2$ Value	df	p-value
Budget vs. Development	26.87	3	0.000

**Source:** Field work, 2024

**Decision:** Since  $p < 0.05$ , we reject the null hypothesis and conclude that budget implementation significantly impacts development outcomes.

**Discussion of Findings**

The empirical findings from the study conducted in Biase and Akpabuyo Local Government Areas (LGAs) reveal that **budget implementation is largely ineffective**, a situation that echoes Ezeani's (2006) assertion regarding the prevalence of institutional weaknesses in Nigeria's local government system. Across both LGAs, a significant portion of respondents indicated dissatisfaction with the current state of budget execution, especially in terms of project delivery, service quality, and infrastructural development. These shortcomings point to a systemic problem in aligning budgetary provisions with actual developmental outcomes on the ground.

The Chi-square test results further substantiated the hypothesis that there is a statistically significant relationship between budget implementation and development outcomes in the LGAs. This affirms the theoretical proposition that a well-implemented budget is a critical driver of grassroots development. When budget execution is effective, it positively influences the delivery of services such as education, healthcare, road infrastructure, and environmental sanitation. Conversely, poor implementation translates into stalled projects, abandoned infrastructure, and unmet community needs—dampening the overall impact of the budgeting process. A critical barrier identified by respondents was the late release of funds. Delays in the disbursement of statutory allocations from the federal and state governments to the LGAs often create financial uncertainty, disrupt planning cycles, and hinder timely project execution. This corroborates findings from Oviasuyi, Idada, and Isiraojie (2010), who emphasized that irregular financial flows are among the principal causes of inefficiency in local governance.

Additionally, weak monitoring and evaluation mechanisms were cited as significant challenges. Respondents noted that most budgeted projects lack continuous oversight, leading to cost overruns, substandard execution, and even non-completion. The absence of structured supervision mechanisms, especially for capital projects, diminishes transparency and makes it difficult to hold contractors and officials accountable. This finding is consistent with Olurankinse (2013), who identified the deficiency in institutional monitoring as a key contributor to poor budget outcomes at the grassroots.

Political interference emerged as another major obstacle. Many respondents expressed concerns over the manipulation of project locations and fund allocations by political actors. In some cases, projects were cited as being chosen based on political loyalty or patronage, rather than objective assessments of community needs. Such interference often results in skewed development and undermines the principles of equity and efficiency in service delivery. The study also found that community participation in budget formulation and implementation is minimal. The majority of community members reported that they are neither consulted during budget planning nor involved in the monitoring of its execution. This observation strongly supports Akinola's (2010) claim that local governance in Nigeria lacks adequate participatory mechanisms. The absence of community voices in budgeting contributes to a misalignment between government priorities and local realities, often leading to the execution of projects that do not reflect actual community needs.

Respondents further noted that where participation structures exist—such as budget hearings or community development committees—they are often symbolic and lack meaningful influence on decision-making. This lack of engagement not only reduces transparency but also undermines trust in local authorities. In contrast, literature on participatory budgeting (World Bank, 1996; Olumide & Olayiwola, 2014) underscores the importance of community involvement in promoting accountability, transparency, and development sustainability. In terms of sectoral performance, areas like primary education, rural healthcare, and road construction were consistently rated low by respondents in terms of both budgetary allocation and project execution. Many communities reported poor school infrastructure, lack of



essential health facilities, and deteriorating rural roads—all indicators of failed or suboptimal budget implementation.

Despite these challenges, the findings also point to a growing awareness among community members regarding the importance of budget transparency and participation. A notable portion of respondents expressed a desire for improved access to budget documents, regular town hall meetings, and independent monitoring mechanisms. This presents a potential entry point for policy reforms aimed at strengthening participatory governance and enhancing local accountability.

### **Conclusion**

In conclusion, the findings of this study illustrate that ineffective budget implementation is a persistent challenge in Biase and Akpabuyo LGAs. Institutional weaknesses, political interference, late fund releases, and poor community participation significantly impair the developmental impact of public budgets. These results reinforce the call for robust reforms in local governance processes, particularly those aimed at improving institutional capacity, enforcing accountability, and fostering inclusive participation. Budget implementation in Biase and Akpabuyo LGAs is suboptimal and contributes to poor development indicators. The study confirms that development outcomes are closely tied to the efficiency of budget execution processes. Addressing systemic constraints can significantly improve local governance.

### **Recommendations**

Based on the findings of the study, the following actionable recommendations are proposed to address the inefficiencies in budget implementation and enhance development outcomes in Biase and Akpabuyo Local Government Areas:

- 1. Enhance Financial Management Systems:** To improve transparency and accountability in budget implementation, there is a need to adopt digital financial management tools at the local government level. Introducing automated accounting software, e-procurement platforms, and real-time expenditure tracking systems can help streamline financial operations and reduce leakages. Digital tools will also enable stakeholders, including citizens, to access financial data and track project progress, thereby strengthening public oversight. Capacity building in the use of such digital platforms should be prioritised to ensure smooth transition and sustainability.
- 2. Promote Participatory Budgeting:** Local governments should institutionalise participatory budgeting practices by creating structured platforms for citizen engagement during budget formulation, approval, and implementation. This includes holding regular town hall meetings, conducting needs assessments, and involving community development associations (CDAs) and civil society organisations (CSOs) in budget decision-making processes. Such engagement will enhance transparency, ensure that projects align with community priorities, and foster a sense of ownership among citizens. Participation should go beyond consultation and allow communities to influence resource allocation decisions meaningfully.

3. **Strengthen Institutional Capacity:** A critical step toward effective budget execution is to invest in the training and retraining of local government personnel, particularly in the areas of project planning, budgeting, procurement, and monitoring. Staff capacity-building initiatives should focus on enhancing technical skills, financial literacy, data analysis, and reporting competencies. In addition, embedding a culture of performance management and accountability within local institutions will improve the overall efficiency of public service delivery.
4. **Improve Monitoring and Evaluation Mechanisms:** The establishment of independent budget monitoring units at the local government level is essential for ensuring timely and accurate oversight of budget implementation. These units should operate autonomously and include representatives from civil society, professional associations, traditional institutions, and other stakeholders. The use of community scorecards, social audits, and public expenditure tracking surveys (PETS) can complement formal audits and provide real-time feedback on project delivery. Monitoring systems should also be designed to track physical project outputs and financial inputs concurrently.
5. **Ensure Timely Disbursement of Funds:** To avoid delays in project execution and service delivery, there must be a deliberate effort to guarantee the prompt release of funds from the federal and state governments to local councils. Mechanisms such as budget calendar enforcement, inter-governmental fiscal coordination frameworks, and legal provisions for timely allocation transfers should be strengthened. Additionally, contingency planning within LGAs can help manage delays and ensure that critical projects are not stalled due to funding uncertainties.
6. **Strengthen Anti-Corruption and Transparency Measures:** It is also imperative to reinforce anti-corruption frameworks by promoting open government practices and ensuring that financial records, procurement processes, and project reports are publicly accessible. Establishing whistleblower mechanisms and encouraging citizens to report misuse of funds will help deter corrupt practices. Local governments should also be required to publish quarterly budget implementation reports and submit them to relevant oversight bodies.
7. **Foster Inter-Governmental Collaboration:** Collaborative frameworks should be developed between local, state, and federal institutions to ensure alignment of development priorities and effective resource coordination. This includes joint planning sessions, technical support from state-level agencies, and coordinated monitoring of shared projects. Such synergy will help to mitigate fragmentation in policy implementation and improve the impact of public spending.



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