MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF) AND REALISTIC BUDGETING IN KADUNA STATE

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ABSTRACT
Despite the implementation of the MTEF to guide realistic budgeting, significant gaps persist, leading to questions about the framework's effectiveness in achieving accurate and efficient public financial management. This study is focused on analyzing revenue and expenditure projections in Kaduna State from 2016 to 2023; determining whether the MTEF leads to realistic budgets or not and identifying the key challenges affecting the effectiveness of MTEF. The study employs a mixed-method approach, combining quantitative analysis of financial data from 2016 to 2023 with a survey of 50 MTEF and budget stakeholders. The quantitative analysis examines discrepancies between budget estimates, MTEF projections, and actual expenditures, while the survey gathers stakeholder perspectives on the effectiveness and challenges of MTEF implementation. The analysis reveals consistent overestimation of budget

figures compared to MTEF projections and actual expenditures, highlighting issues in maintaining fiscal discipline and realistic budgeting. Based on the findings, this study therefore concludes that MTEF has not led to realistic budgeting due to political interference, data reliability concerns, capacity constraints, and poor stakeholder engagement. The study thus recommends Improve Data Quality, Strengthen Fiscal Discipline, Increase Stakeholder Engagement, reduction of political Interference, and capacity building. By implementing these recommendations, Kaduna State can improve its budgeting process, leading to more efficient public financial management and better alignment of budget estimates with actual economic conditions.

Keywords: Medium-Term Expenditure Framework, Realistic Budgeting, Fiscal Discipline
JEL CLASSIFICATION CODE: H72

1. INTRODUCTION

The introduction of the MTEF in Nigeria marked a significant milestone in the country's economic history. Nigeria adopted the MTEF on July 29, 2009, following the establishment of the Fiscal Responsibility Commission (FRC) and the enactment of the Fiscal Responsibility Act (FRA) on July 30, 2007. This institutional framework was designed to address the deficiencies of annual budgeting by promoting multi-year budgeting and enhancing public financial management (Wildavsky, 1986). The Medium-Term Expenditure Framework (MTEF) is a tool that provide the estimates and projections that guide annual budget planning and fiscal management over a three-year period. It encompasses revenue projections, expenditure plans, and fiscal targets based on reliable and consistent fiscal outlooks, offering a foundational structure for the estimates and assumptions underlying annual budgets.

In Kaduna State, the implementation of the MTEF began in 2016 as part of a broader public financial management reform. The process of preparing the MTEF involves developing a macroeconomic and fiscal framework, aligning budget estimates with policy priorities, and setting budget ceilings based on detailed revenue and expenditure projections. Extensive stakeholder consultations ensure that the MTEF reflects diverse views and priorities, making it an inclusive document.

The MTEF aims at achieving greater macroeconomic balance, improved allocative efficiency in inter- and intra-sectoral resource allocation, enhanced budgetary predictability for line ministries, departments, and agencies (MDAs), and more efficient use of public funds. The MTEF aims to make public expenditure more efficient and effective.

The implementation of MTEF over the years has shown lots variation with the budget and the actual expenditure. For instance, in 2016, the budget captured N38 billion (B) as FAAC but actually got N27B putting the budget performance at 70.3% and growth at -27.57%. For 2018, the figures were different, While the budget captured N35B as FAAC in the budget, it actially got N56B and hence getting 160.2 % performance and 31.7% growth. This positive and negative growths calls for investigation on whether MTEF leads to realistic budgeting or not. There are studies around MTEF and budgeting but there is no study that investigated whether MTEF since its implementation has led to realistic budgeting or not especially in the case of Kaduna State, Okpala (2014) investigated the relationship between MTEF and budget effectiveness and found that the MTEF positively and significantly correlates with budget process, sectoral planning, aggregate discipline and revenue estimation in Nigeria public sector. The study use only primary data collected using a questionnaire and thus its findings are mainly the perspective of stakeholders and does not show using real quantitative data whether MTEF leads to effective and realistic budgeting. Nwiado and. Deekor (2020) investigated the outcome of the adoption and implementation of Medium-term Expenditure Framework (MTEF) in the Nigeria budgeting process as the panacea to the poor public expenditure management (PEM) and found strong positive correlation between the budgeted

and actual figures in all three fiscal items. Even though Nwiado and . Deekor (2020) work is empirical, it fails to capture the budget deviations and explain whether MTEF leads to realistic budgeting or not. It only measured the   relationship of MTEF with budgeted and actual expenditure.

From the lens of the reviewed literature the study has established that there is no study that empirically investigated using mixed method or any other method whether MTEF leads to realistic budgeting in Nigeria or Kaduna State. Hence this study is poised at empirically filling this gap using Triangulation/Mixed methodology.

This paper aims to analyze revenue and expenditure projections and to also examine whether or not MTEF leads to realistic budgets, through this analysis, the paper seeks to contribute to the broader discourse on the effectiveness of MTEF in enhancing public financial management and fostering sustainable economic development.

2. LITERATURE REVIEW
2.1 CONCEPTUAL LITERATURE

Different authors and institutions offer varying definitions of the Medium-Term Expenditure Framework (MTEF), but they all emphasize its role in improving fiscal discipline and aligning public expenditures with government priorities. The World Bank defines MTEF as a tool for linking policy priorities with budget realities, ensuring a stable and predictable funding environment for government programs. Similarly, the International Monetary Fund (IMF) views MTEF as a comprehensive framework integrating policy, planning, and budgeting over a multi-year horizon. The IMF stresses the importance of realistic macroeconomic projections for effective public service delivery.

In terms of realistic budgeting, Schick (1998) defines it as a process where revenue and expenditure estimates are grounded in credible, accurate information, with conservative assumptions about economic conditions. The Public Expenditure and Financial Accountability (PEFA) Framework (2005) emphasizes aligning budget estimates with actual trends and realistic macroeconomic assumptions. Similarly, the World Bank (2012) adds that realistic budgeting ensures accurate, achievable budget estimates, preventing fiscal crises and promoting efficient resource use. The IMF (2012) also stresses that realistic budgeting reflects achievable revenue projections and expenditure plans based on the best available information and grounded in realistic macroeconomic forecasts.

MTEF PREPARATION PROCESS
The preparation of the MTEF in Kaduna State involves several key steps and stakeholders:

1. Macroeconomic and Fiscal Framework Development**:** The process begins with the development of a macroeconomic and fiscal framework, which includes projections of key economic indicators such as GDP growth, inflation, and revenue forecasts. These projections are based on historical data, current economic trends, and realistic assumptions about future economic conditions.
2. Policy and Strategic Planning: Next, the government aligns its medium-term policy priorities with the MTEF. This involves setting strategic objectives and priorities that the budget will support over the medium term. This step ensures that the budget reflects the government's development goals and policy commitments.
3. Revenue and Expenditure Projections**:** Detailed revenue and expenditure projections are prepared, taking into account expected changes in economic conditions and government policies. This step involves consultations with various ministries, departments, and agencies (MDAs) to gather input on their funding needs and priorities.

4. Budget Ceilings and Allocation: Based on the revenue and expenditure projections, budget ceilings are established for different sectors and MDAs. These ceilings serve as spending limits, ensuring that the total budget remains within sustainable fiscal limits.
5. Stakeholder Consultations: The MTEF preparation process includes extensive consultations with stakeholders, including civil society organizations, the private sector, and development partners. These consultations aim to ensure that the MTEF is inclusive and reflects the views and priorities of all relevant stakeholders.
6. Drafting and Approval: A draft MTEF document is prepared and submitted to the State Executive Council for review and approval. Once approved, the MTEF is presented to the State House of Assembly for legislative endorsement.
7. Monitoring and Evaluation: The final step involves continuous monitoring and evaluation of the MTEF's implementation. This ensures that the budget execution aligns with the established framework and allows for adjustments in response to changes in economic conditions or policy priorities.

FISCAL ITEMS IN MTEF

The parameters captured in the MTEF includes: oil production (mbpd), oil price benchmark (US$/b), exchange rate (N/$), inflation rate (%), Non-oil GDP (N'b), Oil GDP (N'b), Nominal GDP (N'b), GDP growth rate (%), Nominal consumption (N'b), taxes, FAAC,

The risks to the medium-term outlook include: global economic trend and geopolitical tensions, international oil market developments, Oil demand and supply risks, Exchange rate risks, Risks of non-oil revenue outturn, Domestic oil products shocks, Oil price shock, Foreign exchange supply/rate risk, Failure to meet non-oil revenue projections, Insecurity and insurgency and National Disaster.

2.2 THEORETICAL LITERATURE

The study reviewed the following theories:

Resource Allocation Efficiency Theory: This theory was propounded by Vilfredo Pareto, in his 1906 concept of Pareto Efficiency outlined in "Manuale di Economia Politica," This theory stresses the optimal distribution of resources to maximize social welfare by aligning budgetary allocations with policy priorities and expected outcomes. However, the theory assumes ideal conditions for resource allocation, which are rarely met in real-world scenarios due to political and bureaucratic constraints, as Kenneth Arrow pointed out (Arrow, 1951). Additionally, accurately measuring efficiency and effectiveness presents a significant challenge, potentially leading to resource misallocation, as discussed by Amartya Sen (1999).

Institutional Theory: Douglass North's 1990 book "Institutions, Institutional Change, and Economic Performance" significantly contributed to institutional theory (North, 1990). This theory examines how institutions—rules, norms, and practices—shape the behavior of individuals and organizations. Critics argue that institutional change can be slow and path-dependent, making quick reforms difficult, as Paul David highlighted (David, 1994). Additionally, the theory may underemphasize the role of cultural and social factors in shaping institutions, as discussed by Paul DiMaggio and Walter Powell (1983)

2.3 EMPIRICAL LITERATURE

Okpala (2014) investigated the concept of MTEF and its relationship with budget effectiveness in the Nigerian public sector using a cross-sectional survey research design. A 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. 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 Nigeria public sector.

Jena (2018) researched on "Adopting MTEF through Fiscal Rules: Experiences of Multi-year Budget Planning in India" and found that the structure of MTEF in India suggests that it could be supportive to the fiscal rules, but its impact on medium term budget planning is uncertain. The study recommended taking this institutional innovation forward to develop a structured medium-term framework to link policy, planning, and budgeting beyond a short horizon of annual budget.

Oloruntuyi and Akinsode (2022) investigated the effect of budget implementation on Output growth. Gross Domestic Product (GDP) was used as the explained variable proxy while Recurrent Expenditure (RECEX), Capital expenditure, (CAPEX), Budget implementation rate (BIR) and Public Debt Servicing (PDS) were used as the explanatory variables of the study. Data on these variables were sourced from the Central Bank of Nigeria statistical bulletin and various publications of the ministry of finance from 1986 to 2019. The study adopted fully Modified Ordinary Least Square (FM-OLS), Co-integration and Error Correction Model (ECM) in analyzing respectively the short and long-run effect of budget implementation on Nigeria's economic growth. The data gotten were Normalized using Log transformation conversion method in order to standardize it and make it of the same unit of measurement (rate) with the budget implementation rate which is the major variable of the model. The findings from the study revealed that in the short run, LRECEX and LPDS have a Negative and significant relationship with GDP while LCAPEX and LBIR whad have a significant and Positive relationship with GDP. In the long run, there was a complete turn of relationship as to what was obtained in the short run. Based on these it is recommended that government should try to put in place effective machineries that will ensure the strict adherence to due process and total implementation of annual budget provision and avoid diversion of public funds to personal uses

Twaliwi , Ugwuanyi and Efanga (2021) investigated how budget assessment affected Nigeria's economic progress by employing an ex-post-facto design, with data gathered from the Central Bank Statistical Bulletin and the Federal Ministry of Finance for analysis. A model based on empirical and theoretical reviews was developed to attain this wide purpose. The model's dependent variable was the Human Development Index (HDI), while the model's independent variables were the government's capital budget, recurrent budget, and yearly budget implementation rate. To evaluate data, the researchers used the Ordinary Least Squares (OLS) Model and found that Budget assessment had a favorable and considerable influence on Nigeria's economic progress. The study recommended that, Nigeria's government should make an effort to raise capital and recurring expenditures in its yearly budget, since both have a substantial influence on economic development. Finally, the government should make an effort to put in place effective budget monitoring and assessment equipment that will increase the rate of budget implementation while simultaneously ensuring strict adherence to due process.

Nwiado and . Deekor **(2020)** investigated the outcome of the adoption and implementation of Medium-term Expenditure Framework (MTEF) in the Nigeria budgeting process as the panacea to the poor public expenditure management (PEM) prevalent in most of sub – Sahara African Countries.   Using simply statistical methods and data from sixteen national budgets (2003 - 2016), and constructed statistical tables to investigate the MTEF in the Nigeria annual budgets. Using correlation coefficient, the study examined the behaviour of three key fiscal and expenditure items in Nigeria annual budgets and found strong positive correlation between the budgeted and actual figures in all three fiscal items. Oil production was negatively corrected with the actual. The study thus concluded that the adoption and

implementation of MTEF has to a large degree improved fiscal discipline in the Nigeria budgeting process

Nguyen (2018) investigated MTEF implementation in Vietnam using desk review approach and found that there have been many positive results as well as limitations in law/law enforcement and propose measures to improve the effectiveness of MTEF law enforcement which focus on the implementation of comprehensive macroeconomic analysis and revenue forecasting, strict debt management, the establishment of a reasonable relationship between the 5-year financial plan and the financial-budget plan 3 years as well as the integration of multi-year investment plans of the central and local levels. The study recommends improvement in MTEF implementation.

GAPS IN THE LITERATURE AND VALUE ADDITION

Okpala (2014) investigated the relationship between MTEF and budget effectiveness and found that the MTEF positively and significantly correlates with budget process, sectoral planning, aggregate discipline and revenue estimation in Nigeria public sector. The study use only primary data collected using a questionnaire and thus its findings are mainly the perspective of stakeholders and does not show using real data whether MTEF leads to effective and realistic budgeting. Jena (2018) on the other hand used desk review approach and could not say empirically whether MTEF has positive or negative effect on realistic budgeting.

While Oloruntuyi and Akinsode (2022) and Twaliwi , Ugwuanyi and Efanga (2021) investigated budget implementation and economic progress but did not show how MTEF affects realistic budgeting and effective implementation; Nwiado and . Deekor (2020) investigated the outcome of the adoption and implementation of Medium-term Expenditure Framework (MTEF) in the Nigeria budgeting process as the panacea to the poor public expenditure management (PEM) prevalent in most of sub – Sahara African Countries and found strong positive correlation between the budgeted and actual figures in all three fiscal items. Even though Nwiado and . Deekor (2020) work is empirical, it fails to capture the budget deviations and explain whether MTEF leads to realistic budgeting or not. It only measured the relationship of MTEF with budgeted and actual expenditure. Finally, Nguyen H. (2018) study on the other do not empirically established if MTEF leads to realistic budgeting or not.

From the lens of the reviewed literature the study has established that there is no study that empirically investigated using mixed method or any other method whether MTEF leads to realistic budgeting in Nigeria or Kaduna State. Hence this study is poised at empirically filling this gap using Triangulation/Mixed methodology.

3 METHODOLOGY

The methodology of this paper is designed to analyze revenue and expenditure projections and to examine whether the Medium-Term Expenditure Framework (MTEF) leads to realistic budgets in Kaduna State from 2016 to 2023. The research adopts a mixed-methods approach, combining quantitative analysis of financial data with structured responses from questionnaires and document reviews. Data was sourced from MTEF documents, budget documents and questionaires.

3.1 THEORETICAL FRAMEWORK

The study adopted the Resource Allocation Efficiency Theory as its theoretical framework.
Vilfredo Pareto, known for his 1906 concept of Pareto Efficiency outlined in "Manuale di Economia Politica," is a significant figure in resource allocation efficiency theory (Pareto, 1906). This theory stresses the optimal distribution of resources to maximize social welfare by aligning budgetary allocations with policy priorities and expected outcomes. However, the theory assumes ideal conditions for resource allocation, which are rarely met in real-world

scenarios due to political and bureaucratic constraints, as Kenneth Arrow pointed out (Arrow, 1951). Additionally, accurately measuring efficiency and effectiveness presents a significant challenge, potentially leading to resource misallocation, as discussed by Amartya Sen (1999).

3.2 DATA ANALYSIS

The accuracy of revenue and expenditure projections was assessed by comparing projected figures against actual outcomes. This involved calculating the percentage deviation of actuals from projections and conducting trend analysis to identify patterns of overestimation or underestimation. The content of reviewed documents was analyzed to extract relevant information about the MTEF's design, implementation challenges, and its role in enhancing budget realism. This will help triangulate findings from the quantitative analysis and qualitative.

Survey/questionnaire responses was analyzed using thematic analysis to identify common themes and insights regarding the implementation and impact of the MTEF. This   involve coding the data, identifying patterns, and drawing inferences about the effectiveness of the MTEF in promoting realistic budgeting. Information about the MTEF's design, implementation challenges, and its role in enhancing budget realism was extracted from the questionnaire.

3.3 VALIDITY AND RELIABILITY

To ensure the validity and reliability of the research findings, the study used:

Questions validation: the survey questions were validated by financial experts and members of the MTEF Committee.

Triangulation: Data from multiple sources (quantitative financial data, qualitative surveys and document reviews) were triangulated to provide a comprehensive analysis of the MTEF's impact on budgeting realism.

Pilot Testing: survey questions were pilot-tested with a small group of stakeholders to refine the questions and ensure they elicit relevant and clear responses.
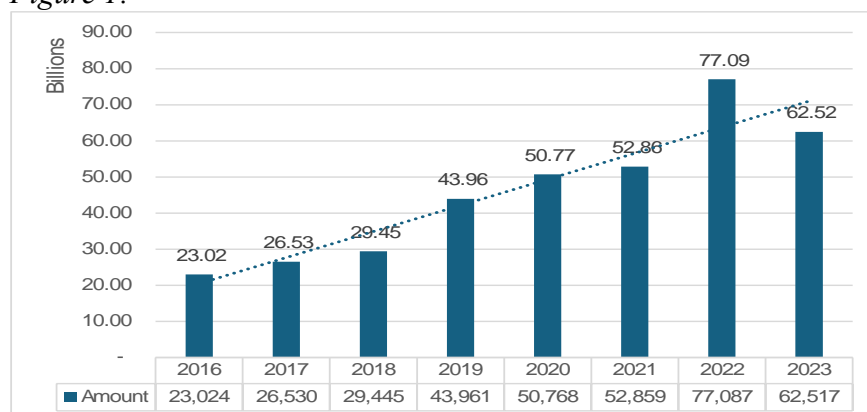
Peer Review: The methodology and findings were reviewed by experts in public financial management and budgeting to ensure robustness and credibility

4   RESULTS AND DISCUSSION OF FINDINGS

Discussion of results from quantitative data

Kaduna state IGR Trend

Figure 1:

	2016	2017	2018	2019	2020	2021	2022	2023
Amount	23,024	26,530	29,445	43,961	50,768	52,859	77,087	62,517

Sourced: KADIRS

IGR trend shows steady growth from 2016 to 2022, reaching ₦77.09 billion. However, in 2023, there was a slight decrease to ₦62.52 billion. This indicates the state's efforts to enhance

revenue generation but also highlights potential challenges in maintaining growth consistency.

Let's look at Statutory Allocation, VAT, IGR, Excess Crude, and Capital Receipts – original budget versus actual for the period 2018-2023 (Six years historic) and 2024 budget.

INTERPRETATION OF MTEF AND REALISTIC BUDGETING IN RELATION TO THE PROVIDED DATA

YEARS	MTEF	BUDGET(B)	ACTUAL(A)	D1(B-M)	D2(A-M)	D3(B-A)	D4(A-M)
2016	94960390	172322648	80247767	-77362258	-14712623	92074881	-14712623
2017	184539303	214921110	105229765	-30381807	-79309538	109691345	-79309538
2018	190409004	216650173	126397371	-26241169	-64011633	90252802	-64011633
2019	137683586	157449001	220833492	19765415	83149906	-63384491	83149906
2020	178872884	259250819	190371629	-80377935	11498745	68879190	11498745
2021	214240000	205220000	198060000	9020000	-16180000	7160000	-16180000
2022	221560000	258850000	235640000	-37290000	14080000	23210000	14080000
2023	334950000	376450000	238810000	-41500000	-96140000	137640000	-96140000

Source: Authors' computation 2024

Consistency and Variations
In analyzing the data from 2016 to 2023, a consistent pattern emerges where the budget estimates (B) often exceed the MTEF projections (M) and actual expenditures (A). This is evident from the negative values in the D1 (B-M) column, indicating that budget figures are generally overestimated compared to MTEF projections. For example, in 2016, the budget was overestimated by approximately 77.36 billion Naira, while in 2017 and 2018, the overestimations were around 30.38 billion Naira and 26.24 billion Naira respectively. These discrepancies suggest a tendency towards overly optimistic budget projections that do not align with the more conservative MTEF figures.

Fiscal Discipline and Accuracy
The differences between the budget estimates and actual expenditures (D3: B-A) underscore challenges in maintaining fiscal discipline. In several years, the budget estimates are significantly higher than the actual expenditures, with variances of approximately 92.07 billion Naira in 2016, 109.69 billion Naira in 2017, and 90.25 billion Naira in 2018. This gap highlights issues in realistic budgeting, where the actual funds spent fall far short of the allocated budgets, indicating potential inefficiencies or unrealistic projections in the budget preparation process.

Implications for MTEF's Effectiveness
The effectiveness of the MTEF in guiding realistic budgeting can be questioned based on the observed data. The differences between actual expenditures and MTEF projections (D2: A-M) show significant deviations, both positive and negative. For instance, in 2016 and 2017, the actual expenditures were significantly lower than the MTEF projections, with differences of -14.71 billion Naira and -79.31 billion Naira respectively. However, in 2019, 2020, and 2022,

actual expenditures exceeded MTEF projections by 83.15 billion Naira, 11.49 billion Naira, and 14.08 billion Naira respectively. These variations highlight the need for more accurate forecasting methods and better alignment between projections and actual economic conditions.

Need for Continuous Monitoring and Adjustment
The significant variances between the projected, budgeted, and actual figures underscore the necessity for continuous monitoring and adjustments in the budgeting process. Realistic budgeting requires that projections be aligned closely with actual economic conditions and government capacities. The data indicates that without such alignment, there is a risk of either overestimating or underestimating expenditures, which can lead to inefficient allocation of resources and fiscal imbalances. Incorporating feedback from actual expenditures into future MTEF projections and budget estimates can enhance their realism and credibility.

Stakeholder Involvement
Effective implementation of the MTEF necessitates broad-based dialogue with stakeholders to ensure that projections are informed by reliable and consistent data. This inclusive approach can enhance the accuracy of revenue and expenditure projections, thereby improving the overall budgeting process. The discrepancies observed in the data suggest a need for improved stakeholder engagement and more robust data collection and analysis methods to ensure that MTEF projections and budget estimates are realistic and achievable.

Discussion of results from the survey/questionaire
The study collected data from 50 MTEF and budget stakeholders to explain the variations in the forecasted and actual figures as well as the effectiveness of the tool for budget predictability. The quality of data used for macroeconomic forecasting was predominantly rated as mediocre by respondents, with 22% considering it poor and only 6% rating it as excellent. This suggests that there is room for substantial improvement in data quality to support more reliable economic forecasts. The respondents identified the key challenges mitigating the effectiveness of MTEF as a tool for realistic budgeting. The measure challenges of MTEF identified by all of them are political interference, data reliability issues, capacity constraint, poor stakeholder engagement, and poor implementation on the part of the executive who most times jettisons MTEF'S recommendations.
When considering whether MTEF led to a more efficient allocation of public resources, the responses were mixed: 34.7% agreed, 18.4% disagreed, and 46.9% were unsure. This indicates that while some improvements are recognized, uncertainty remains prevalent.
When assessing MTEF's contribution to financial predictability and stability, opinions were divided. While 42.9% affirmed its positive impact, 44.9% disagreed, and 12.2% were unsure. This split shows that the framework's effectiveness in enhancing financial predictability is still contentious among stakeholders.

5   CONCLUSION AND POLICY RECOMMENDATIONS
The analysis of budget estimates, MTEF projections, and actual expenditures from 2016 to 2023 reveals significant gaps in Kaduna State's budgeting process. Budget estimates frequently exceed both MTEF projections and actual expenditures, indicating a tendency towards overly optimistic financial planning. Based on the findings, this study thereby concludes that MTEF has not led to realistic budgeting due to political interference, data reliability concerns, capacity constraints, and poor stakeholder engagement. While some stakeholders recognize improvements in resource allocation and fiscal predictability, opinions are divided, suggesting a need for better implementation and communication strategies.

The study makes the following recommendations based on its findings
The State should invest in improving the quality of macroeconomic data used for forecasting.
The State should foster broad-based dialogues with stakeholders to get diverse range of perspectives that can improve the reliability and acceptance of MTEF projections and budget estimates.
The government should establish safeguards to minimize political interference in the budgeting process. This can help ensure that MTEF recommendations are implemented effectively and not sidelined for political reasons.
The State should provide training and resources to build the capacity of officials involved in the budgeting process. This includes enhancing skills in data analysis, forecasting, and financial management.
The government should implement a system for continuous monitoring of budget performance against projections. Regular adjustments based on real-time data can help maintain alignment and improve fiscal management.

Overall, both quantitative and qualitative analyses underscore the necessity for continuous monitoring, more accurate forecasting, and enhanced stakeholder involvement to ensure realistic and credible budgeting. Addressing these discrepancies through targeted interventions can lead to more effective public financial management and better alignment of budget estimates with actual economic conditions.

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