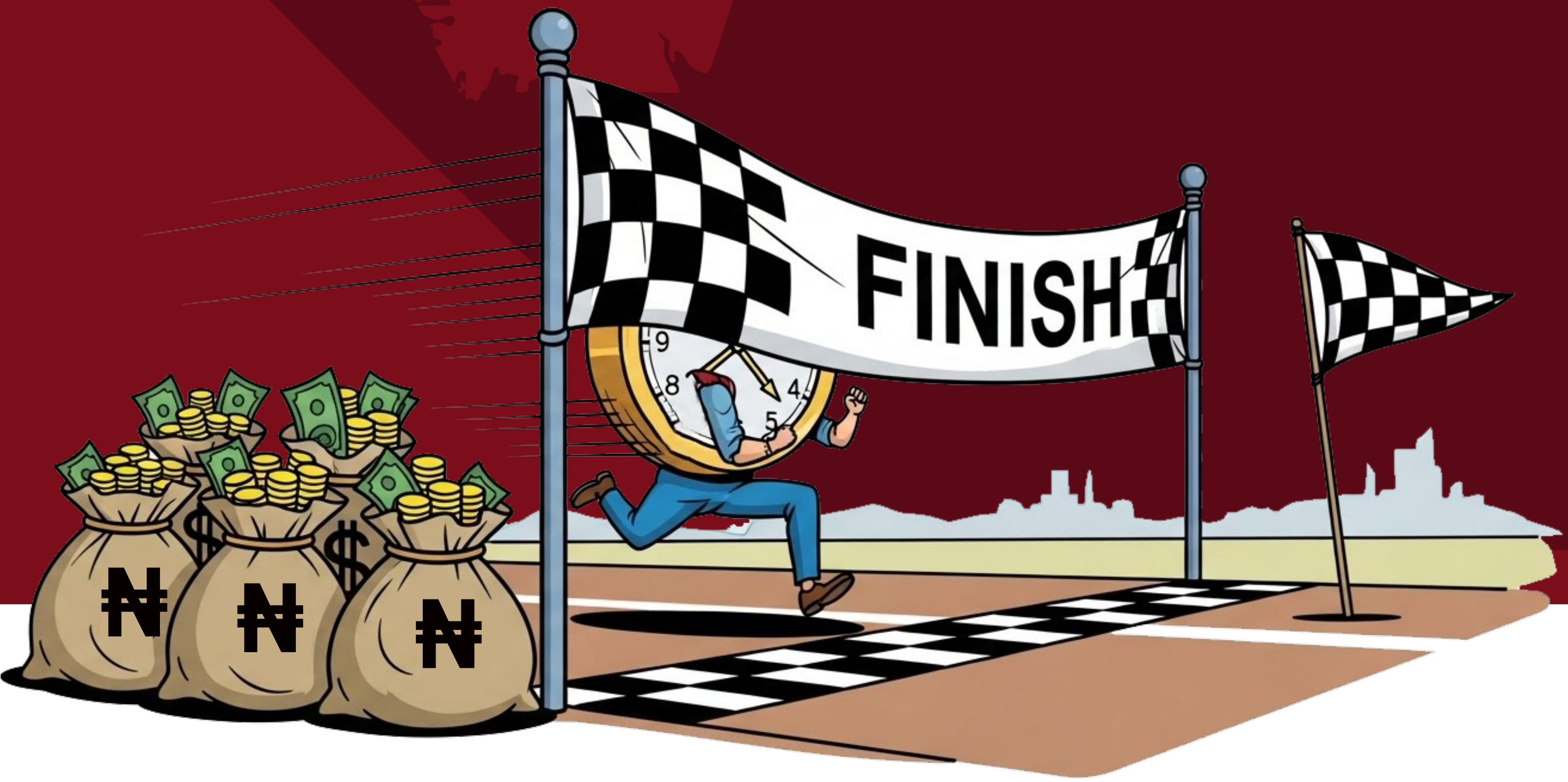
Better Late than Never?



Federal Government **2024**
Budget Performance Analysis

About BudgIT

BudgIT is a civic organisation that uses creative technology to simplify public information, stimulating a community of active citizens and enabling their right to demand accountability, institutional reforms, efficient service delivery and an equitable society.

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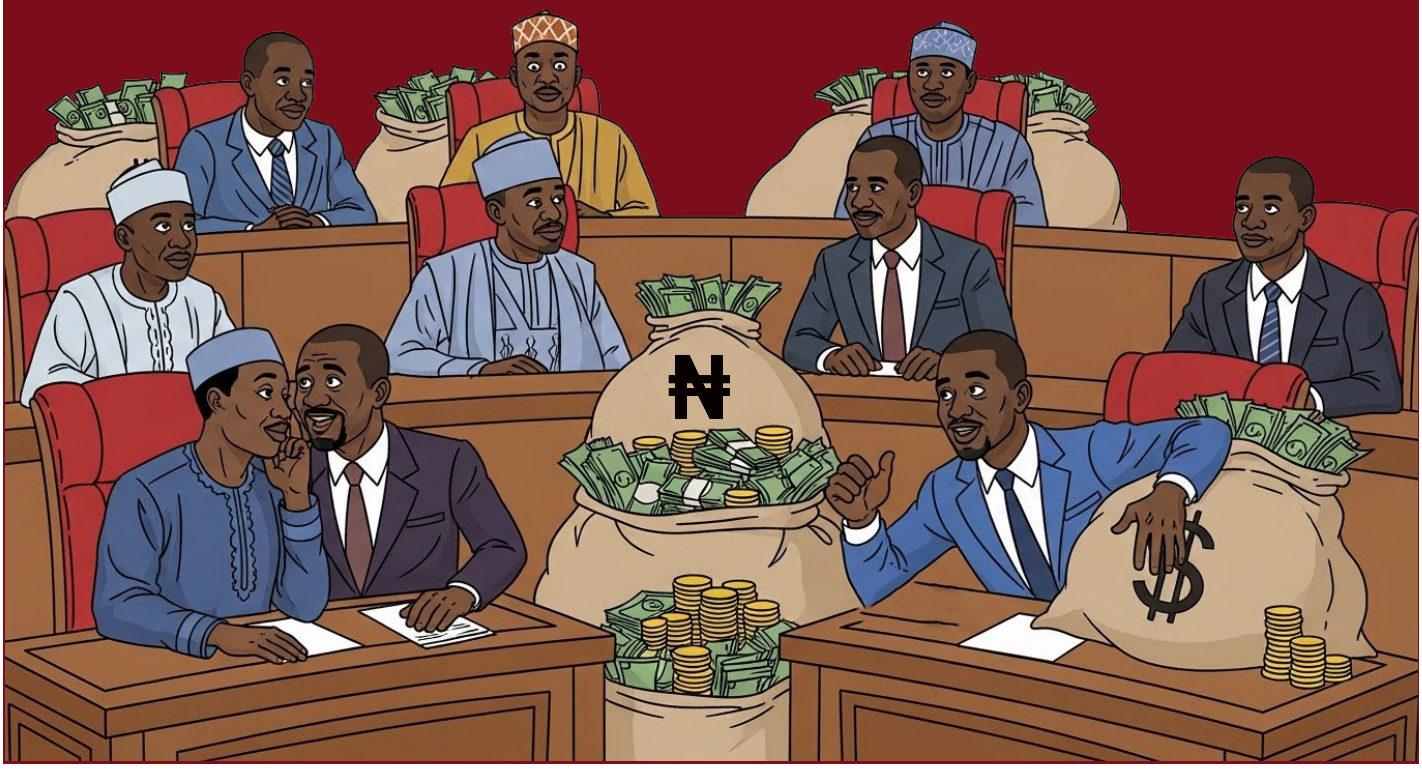
Consequently, the National Assembly (again in 2024) declared that the implementation of the 2023 Appropriation and Supplementary Appropriation Act had to be extended to 31st December of 2024. Again, by December of 2024 the National Assembly (once again solicited by the Presidency) announced that the implementation of the capital project component of the 2024 Appropriation Act had to be further delayed: this time to June 30 of 2025.



Introduction

It may now be clear why the Q4 2024 Budget Implementation Report is titled with the term "Provisional". This may be because the federal government's books have not been adequately closed, as the 2024 budget is still being implemented.

The publishing of the 2024 4th Quarter Budget Implementation Report (BIR), by the Budget Office of the Federation is, at first blush, a rather odd document. It is tagged as "Provisional", which creates a level of uncertainty in the mind of any lay reader. As such, a bit of context is required for proper understanding. Some time in late 2023, the 10th National Assembly accepted the request by the then recently elected President, that the implementation of Capital expenditure components of the 2023 Appropriation Act and Supplementary Appropriation Act be pushed to March of the next fiscal year (i.e., 2024)[1]. Unfortunately, this was only just the beginning, as the implementation of those Acts persisted beyond March 2024 and headed to the half-year mark. Consequently, the National Assembly (again in 2024) declared that the implementation of the 2023 Appropriation and Supplementary Appropriation Act had to be extended to 31st December of 2024[2]. Again, by December of 2024 the National Assembly (once again solicited by the Presidency) announced that the implementation of the capital project component of the 2024 Appropriation Act had to be further delayed: this time to June 30 of 2025.[3] As expected, the National Assembly (having been prompted by the Presidency mid-year 2025) again moved the deadline for the implementation of the capital expenditure component of the 2024 budget to December 2025.[4]

As of writing this report, the 2025 Appropriation Act has not had its Capital expenditure implemented. What is more worrying, is the fact that the process of preparing for the 2026 budget has not

1.See Ogundapo, A. (December 21 2023). Senate extends implementation of 2023 supplementary budget by three months. In Premium Times (Online) Newspapers. Available at: https://www.premiumtimesng.com/news/top-news/653204-senate-extends-implementation-of-2023-supplementary-budget-by-three-months.html?tztc=1
2. See Majeed, B. (June 26 2024). Again, NASS to extend 2023 budget, Supplementary Appropriations Act to beat expiry date. In Premium Times (Online) Newspapers. Available at: https://www.premiumtimesng.com/news/top-news/707345-again-nass-to-extend-2023-budget-supplementary-appropriations-act-to-beat-expiry-date.html
3. See Majeed, B. (December 18 2024). NASS to extend 2024 budget – Akpabio. In Premium Times (Online) Newspapers. Available at: https://www.premiumtimesng.com/news/headlines/762254-breaking-nass-to-extend-2024-budget-akpabio.html
4. See Folorunsho-Francis, A., Yakubu, D., Abimbola, O., Tunji, S., et al. (June 25 2025). Tinubu, NASS face fresh criticism over 2024 budget extension. In the Punch (Online) Newspapers. Available at: https://punchng.com/tinubu-nass-face-fresh-criticism-over-2024-budget-extension/

even formally commenced.[5] This should not be surprising, considering the fact that accrued revenue from the 2025 budget is literally being used to fund the 2024 Capital expenditure budget.[6]

It may now be clear why the Q4 2024 Budget Implementation Report is titled with the term "Provisional". This may be because the federal government's books have not been adequately closed, as the 2024 budget is still being implemented. Due to this concurrent implementation of the Recurrent component of the 2025 alongside the Capital component of the 2024 budget, the federal government is, in very clear terms, implementing 2 budgets at once. This has led to the poorest publication regime of BIRs ever. Recall that BudgIT called attention to this in not only its analysis of the 2025 FG Budget Analysis[7] but also in an August 2025 Press Release. It should be that the non-publishing of the BIRs is a clear violation of s.30 of the Fiscal Responsibility Act, 2007 which mandates the Budget Office of the Federation to publish the reports not later than 30 days after the end of a particular quarter.

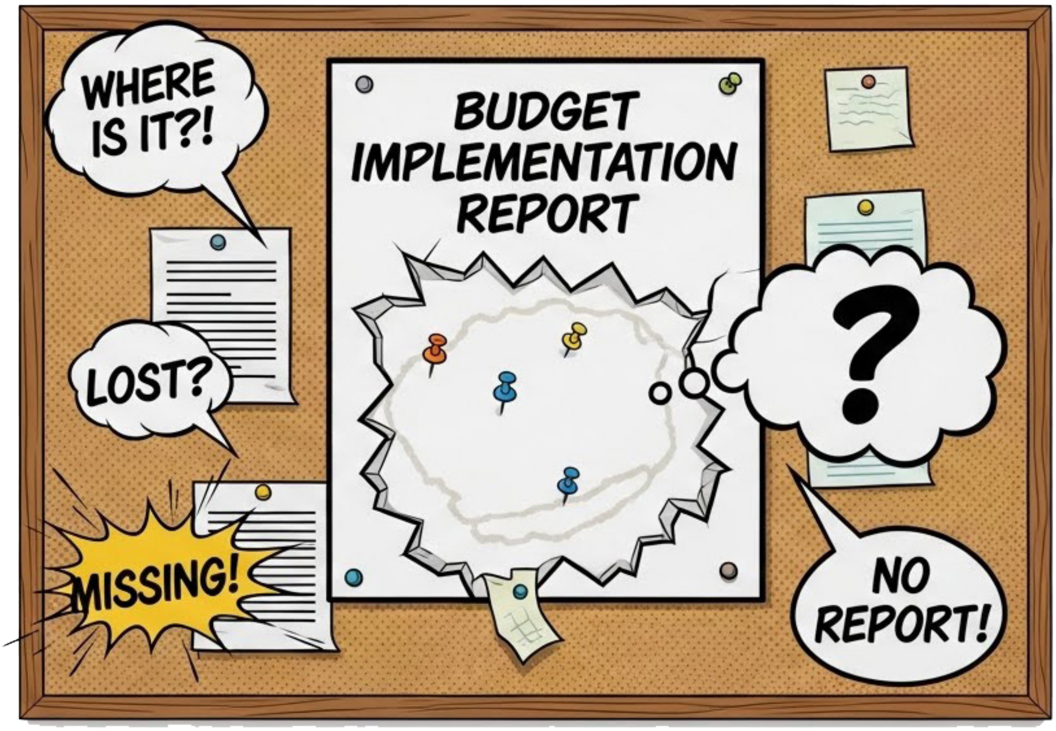
The current administration, through these unforced errors, is committing 2 infractions. First, its recent penchant not to publish crucial fiscal documentation means that information that ought to be in the public domain (without fail), is simply not available. Secondly, the government is flouting its own laws meant to put the very government itself in check. Where the government routinely violates its own laws, how does that bode for the rule of law and the notion of responsible government? Interestingly, even the Buhari administration was accused of violating public financial management laws, which means these infractions seem to be the norm, rather than the exception.[8] Meanwhile, the current President had approached the National Assembly to vary the federal government's borrowing plan. For emphasis, the 2026 fiscal year borrowing plan ought to have been a component of the 2026 - 2028 Medium Term Expenditure Framework with the latter having just been presented to the National Assembly, it is hoped that the amended borrowing plan is contained within the MTEF.

In terms of where the new borrowing aims to go to, the 2025 Budget Call Circular (which came out after the release of the 2025-2027 MTEF & Fiscal Strategy Paper in November of 2024) stipulates that: "The deficit (N13.08tn) in 2025 will be financed by new foreign and domestic borrowings of N9.22tn, N312.33bn from Privatization Proceeds, and N3.55tn drawdowns on existing multilateral/bilateral project-tied loans. The deficit will largely be financed by domestic borrowings, considering the narrow window for external financing"[9] (emphasis ours). In other words, foreign and domestic borrowings would be applied to the deficit of approximately N9.22tn.

Yet again, following the several

Secondly, the government is flouting its own laws meant to put the very government itself in check. Where the government routinely violates its own laws, how does that bode for the rule of law and the notion of responsible government?

5. This is because the Fiscal Responsibility Act, 2007 in s.11(1)(b) mandates the federal government to present the Medium Term Expenditure Framework to the National Assembly and (each house of) the latter must approve by resolution, the MTEF. The Presidency will then use that 'approved MTEF' to prepare the Budget proposal.
6. See Clement, P.S. (August 14 2025). FG funding 2024 capital projects with 2025 revenue – DG Budget. In Daily Trust (Online) Newspapers. Available at: https://dailytrust.com/fg-funding-2024-capital-projects-with-2025-revenue-dg-budget/
7. See generally, Kwaga, V., Akinbode, A., Iseniyi, O., et al. (2025). 2025 Federal Government Approved Budget Analysis. Oluseun Onigbinde, Vahyala Kwaga and Enebi Opaluwa (eds.). BudgIT Foundation.
8. See Agbajileke, O. (April 1 2019). Concerns as FG gradually relegates MTEF/FSP, abuses Fiscal Responsibility Act. In Business Day (Online) Newspapers. Available at: https://businessday.ng/exclusives/article/concerns-as-fg-gradually-relegates-mtef-fsp-abuses-fiscal-responsibility-act/
9. See the Budget Office of the Federation. (November, 2024). FGN 2025 Budget Call Circular, at p. 7. Federal Ministry of Budget and Economic Planning (FMBEP) Abuja. Federal Republic of Nigeria.



amendments and changes to the 2025 budget (passed in February, 2025) the 2025 budget deficit “moved” to N17.81tn (per the 2025 Appropriation Act). This makes a difference of N4.73tn between the ‘old’ and the ‘new’ deficit. While it is clear that the old borrowing plan (i.e., in the 2025-2027 MTEF & FSP) has been overtaken by the letter to the National Assembly requesting amendment of the borrowing plan; it is not certain where precisely the money will go. How the deficit component is spread among the key expenditure heads by the federal government is not fully understood or made public. Is it applied to overheads in the same measure? Or is it largely confined to the Sinking Fund and to retire maturing loans? The federal government needs to provide clarity on this.

For emphasis, where we compare the ‘old’ medium term borrowing plan with the new “2024 – 2026 External Borrowing Rolling Plan” sent by the President to the National Assembly, a significant difference can be observed between the two. The total borrowing plan (domestic and foreign borrowings), per the 2025-2027 MTEF & FSP (for the 2025, 2026 and 2027 fiscal years), is approximately N31.234tn. On the other hand, the total borrowing plan per the 2024 – 2026 External Borrowing Rolling Plan is approximately N45tn. This means the Tinubu administration has expanded its own 2025-2027 MTEF & FSP projected 3-year borrowing by N13.76tn: significant and about 5.37% of GDP, per the World Bank’s estimates. This move does seem to imply that the government aims to borrow more and it means an increase in the nation’s ultimate debt burden.

As generally impressive as this revenue performance is, there are still structural issues requiring focus from the government. For instance, the federal government's non-oil revenue does not exceed oil revenue in the 2024 fiscal year. It has performed much better than previous fiscal periods, for sure but ought to be in the lead.

Budget Overview

Amount in NGN

Aggregate Federal Government Revenue

(4.89tn)
Variance

2024 Budget **25.88tn**

Actual (Jan - Dec) **20.98tn**

Aggregate FGN Expenditure

(561.29bn)
Variance

2024 Budget **35.05tn**

Actual (Jan - Dec) **34.49tn**

Fiscal Balance (Financing)

(4.34tn)
Variance

2024 Budget **9.18tn**

Actual (Jan - Dec) **13.51tn**

	2024 Budget	Variance	Actual (Jan - Dec)
Privatisation Proceeds	298.49bn	(298.49bn)	0.00bn
Multi-lateral / Bilateral Project-tied Loans	1.05tn	(929.45bn)	1.98tn

New Borrowings

(4.79tn)
Variance

2024 Budget **7.82tn**

Actual (Jan - Dec) **12.61tn**

	2024 Budget	Variance	Actual (Jan - Dec)
Domestic Borrowing	6.06tn	(0.00)	6.06tn
Foreign Borrowing	1.76tn	(929.45bn)	3.37tn
Budget Support	0.00bn	(298.49bn)	3.18tn

Pool Funding for Extended 2024 Budget

Actual (Jan - Dec) **1.08tn**

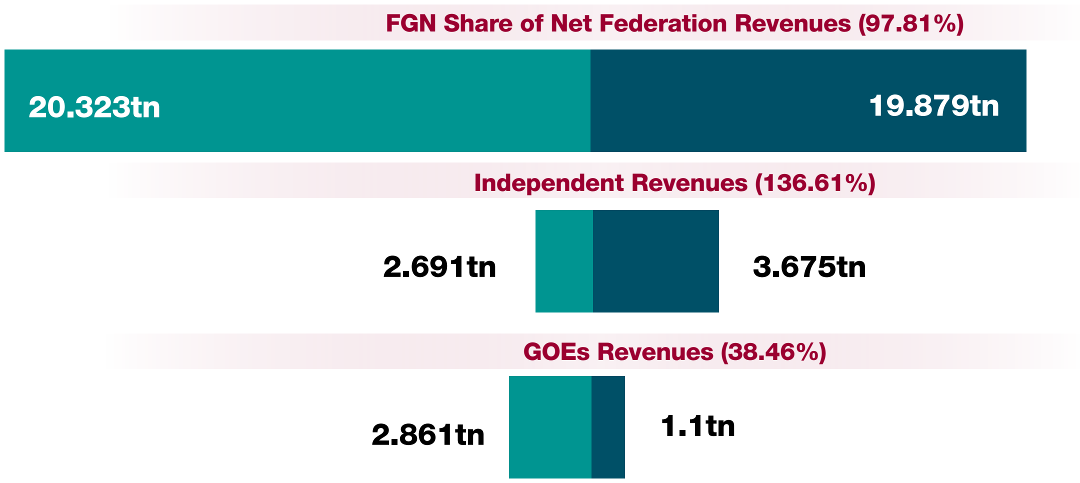
This growth shows that the government is succeeding in its year-on-year revenue generation but the federal government is still overprojecting its revenue. However, this needs to be improved upon to help sustain public services and reduce reliance on borrowing

2.1 Federal Government 2024 Revenue Performance: Current and Past Performance

While the federal government projected a revenue of N25.88tn in its 2024 approved budget, a total of N20.98tn was realised as its actual revenue at the end of 2024. This shows there was an overprojection in the 2024 fiscal year budget, resulting in the 18.92% decline recorded. Comparing the total revenue to the previous fiscal year, there was an increase of 68.04%, moving from N12.48tn in 2023 to N20.98tn in 2024. This growth shows that the government is succeeding in its year-on-year revenue generation but the federal government is still overprojecting its revenue. However, this needs to be improved upon to help sustain public services and reduce reliance on borrowing. The coming on board of the Nigerian tax laws may free up more revenue for the federal government but this must be balanced by acts that ensure tax justice and equity.

Table 2: 2024 Federal Government Budget Performance Revenue Breakdown

Projected (NGN)	Performance (%)	Actual (NGN)
25.88tn	**(81.07%)**	**20.98tn**



Source: 2024 Q4 BIR Macroeconomic and Financial Analysis, Federal Republic of Nigeria

Breaking down the 2024 revenue shows that the federal government has performed reasonably well. With a budgeted revenue of N25.88tn (including GOEs revenue), the government hit just above 81% in performance, reaching N20.98tn. The most impressive performance came from Solid Minerals and Mining revenue. With a budget revenue of N4.56tn and an actual revenue of N11.33tn (the bulk of which was made in the 3rd and 4th quarters of 2024); this actual revenue hit nearly 3 times its budget by 248.46%.

Breaking down the rest of the winning revenue lines for the national government, we have Companies Income Tax (CIT) hitting N2.6tn in the 2024 period; this is 35.46% higher than the 2023 actual of N1.92tn. CIT actuals in 2024 was 76.63% higher than the budgeted value of N1.47tn.

Value Added Tax had an actual performance of N868.86bn, which was 82.49% higher than the 2023 actual of N476.11bn. Comparing the 2024 budgeted VAT of N512.83bn to the 2024 VAT actual of N868.86bn, we see a positive difference of 69.42%. Customs Revenue was able to generate N1.361tn, despite a budget of N781.8bn; a significant upward movement of 74.25%. Placing the 2024 actuals (N1.36tn) beside the 2024 budget (N1.287tn), we see a minimal performance of 5.74%. Lastly, Electronic Money Transfer Levy (EMTL) had an actual performance of N31.22bn, which was 32% higher than the 2023 actual of N23.65bn. Comparing the 2024 budgeted EMTL of N24.39bn to the 2024 VAT actual of N31.22bn, we see a positive difference of 28%: all performing above board during the period under review.

None of the aforementioned items performed at less than 100% during the 2024 fiscal year. In fact, CIT was slightly above 25 basis points shy of a 200% performance (176.93%). Customs Duty was the most modest, at 105%. Good performance came from Oil Revenue (with a Budget of N8.176tn and an actual of N6.26tn), at 76.57%. Federal government Independent revenue had a credible performance, hitting 136.56% per the actuals compared to the budget. However, dividends from the NLNG performed the worst at 0%: unusual for the federal government. Reports show that this may be due to rising vandalisation and attacks on gas pipelines. However, there is need for more disclosure (per the Petroleum Industry Act, 2021), as the NNPCL holds equity in the NLNG on behalf of the federal government.[10] There needs to be some public explanation as to what is happening with the federal government's due for the 2024 fiscal year. Comparing the 2024 actuals to the 2023 actuals, every single aforementioned revenue item (with the exception of NLNG Dividends) did better in 2024, with some like Oil revenue exceeding 2023 actuals by over N3.8tn and non-oil revenue by over N1.6tn.

As generally impressive as this revenue performance is, there are still structural issues requiring focus from the government. For instance, the federal government's non-oil revenue does not exceed oil revenue in the 2024 fiscal year. It has performed much better than previous fiscal periods, for sure but ought to be in the lead. With the coming on board of the Nigerian Tax Acts, this situation is likely to change. In addition, the absence of the NLNG Dividend is a loud silence, from a revenue stream that used to be fairly consistent. An audit is required to provide critical answers to this.

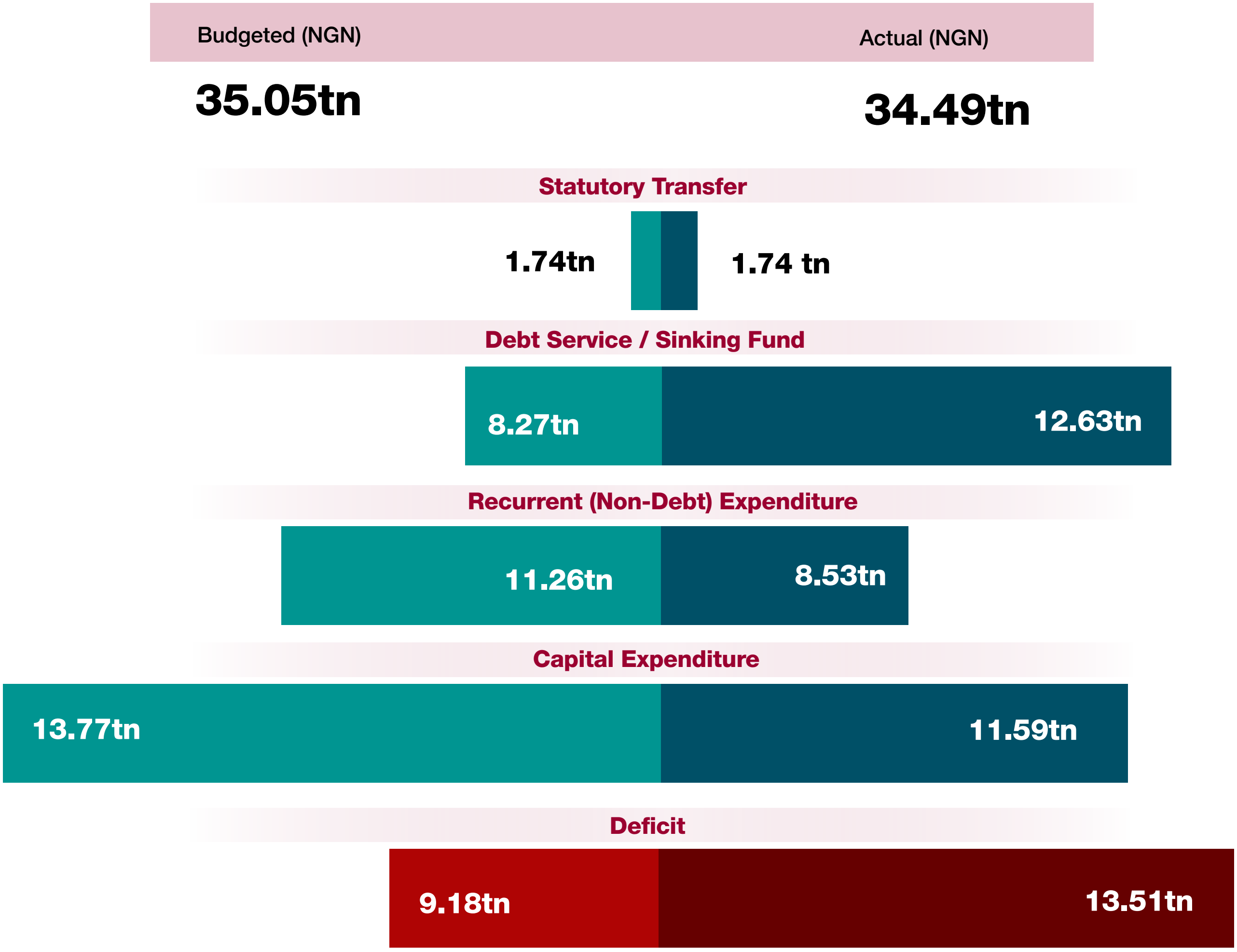
2.2 Federal Government Expenditure Performance: Is the FG's Money Where its Mouth Is?

The expenditure figure for the 2024 fiscal year amounted to N34.49tn, which is 49.69% more than the aggregate expenditure for 2023, the latter which was N23.04tn. A further breakdown of the 2024 budget performance shows that 33.60% (N11.59tn) of the total budget was expended on capital investment, 24.73% (N8.53tn) went into recurrent expenses, and 36.62% (N12.63tn) was used for debt service, while N1.74tn (5.04%) went into statutory transfers.

A further breakdown of the 2024 budget performance shows that 33.60% (N11.59tn) of the total budget was expended on capital investment, 24.73% (N8.53tn) went into recurrent expenses, and 36.62% (N12.63tn) was used for debt service, while N1.74tn (5.04%) went into statutory transfers.

10. See Oladehinde, O., & Egboboh, C. (September 8 2025). Zero dividend for FG as vandalism chokes NLNG profits. In Business Day (Online) Newspapers. Available at: https://businessday.ng/news/article/zero-dividend-for-fg-as-vandalism-chokes-nlng-profits/

Table 3: 2024 Federal Government Budget Expenditure Breakdown

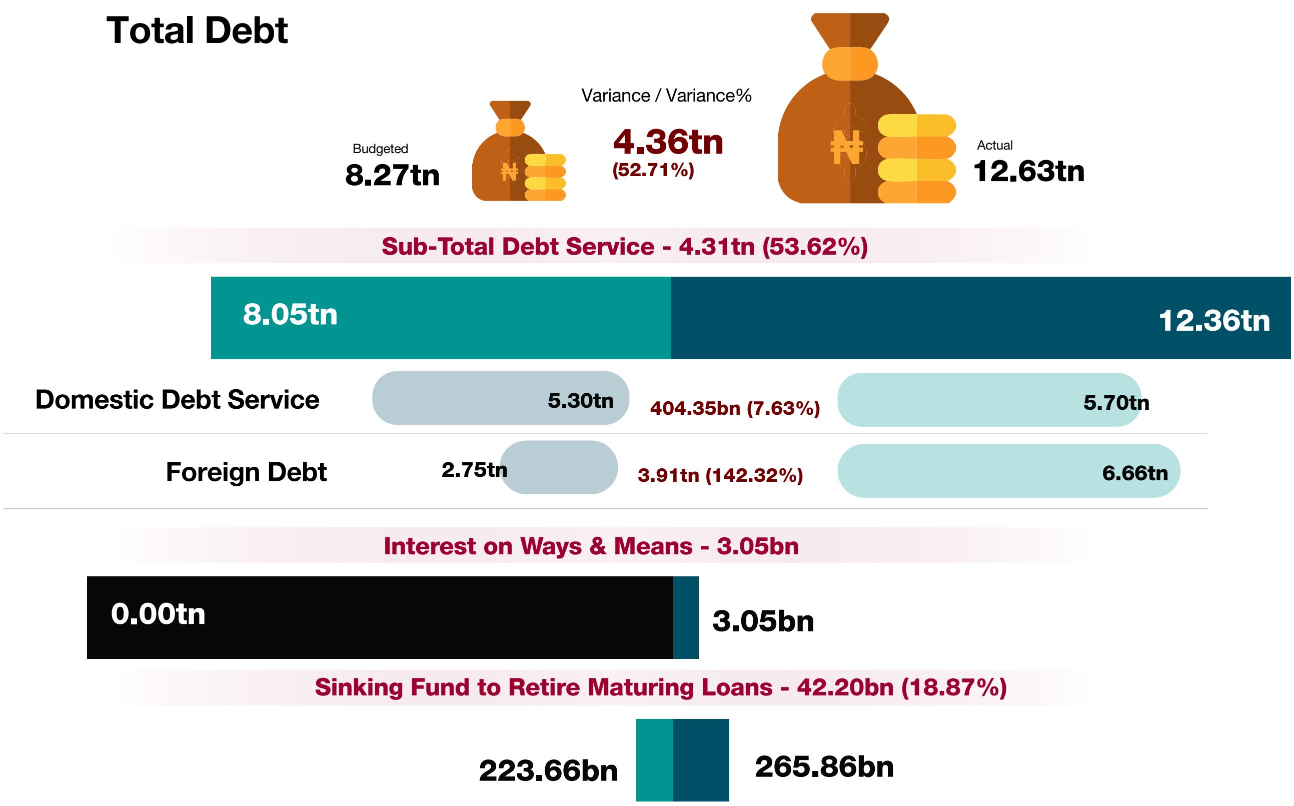


Source: 2024 Q4 BIR Macroeconomic and Financial Analysis, Federal Republic of Nigeria

In 2023, N6.37tn was spent on capital investments, which increased to N11.59tn in 2024, giving an 82.05% increase. A breakdown of this line shows that the federal government spent the most on Capital expenditure for the MDAs and others, about N5.81tn; over N2tn more than it spent in the 2023 fiscal year. The second highest spending for the 2024 fiscal year was the 'Capital Development Fund (Main)-2024 in 2025', at N2.23tn. It would be interesting to know where this line item's finance was deployed to, as the corresponding year (i.e., 2023) had no spend for this item. Curiously, the federal government's only spending for 'Multi-lateral/Bilateral Project-Tied Loans' (about N1.98tn) was done in the fourth quarter only.

Likewise, recurrent expenditure went from N15.64tn in 2023 to N21.16tn in 2024, giving an increase of 35.34%. This spending was dominated by Debt, which amounted to N12.63tn, approximately 58.41% of the total actual Recurrent expenditure for 2024. Breaking down the latter, the data shows that the bulk of debt spending was taken by Foreign and Domestic debt service that was over 90% of total debt expenditure. It should be noted that total Debt Service exceeded non-debt Recurrent spending (the latter N8.53tn) by over N3.8tn. It also appears the federal government is still making payments on its 'Ways and Means' interest, as it paid N3.05bn in the fourth quarter (which was its only payment for the entire fiscal year). Personnel costs (MDAs) took the lion's share of non-debt Recurrent expenditure, at N4.79tn; this was approximately 56.16% of the total actual non-debt Recurrent expenditure for 2024.

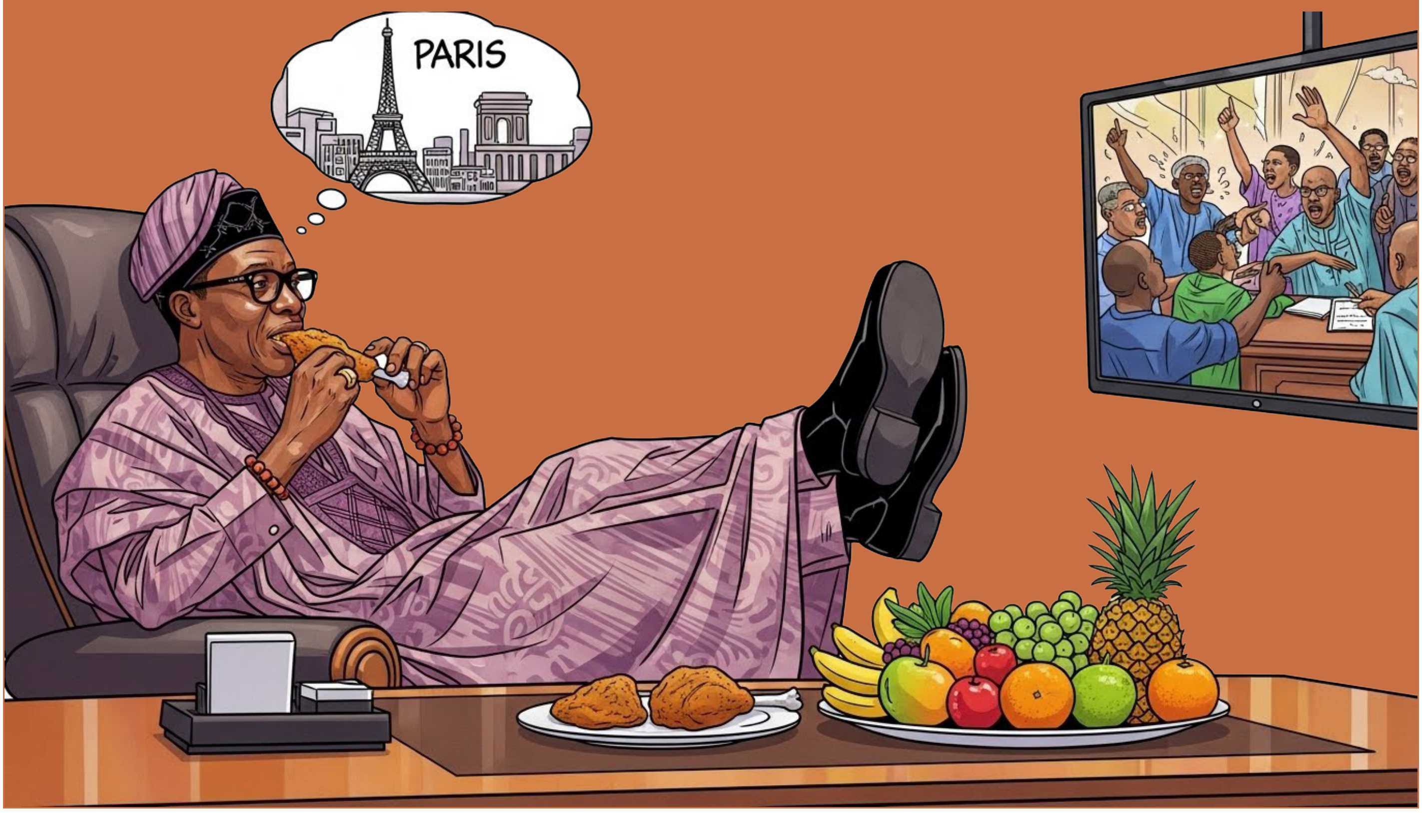
Table 4: Debt (debt stock and debt servicing)



Source: OAGF and BOF, 2024

Statutory transfers are payments made to government agencies and institutions which are meant to receive funding outside the direct control of executive agencies based on their functions. A total budget of N1.74tn was transferred to the agencies in 2024, this is an increment of 68.44% from N1.03tn transferred in 2023. With the inclusion of Project tied Loans and GOEs expenditure, the federal government's expenditure of N30.82tn, was bumped up by N3.67tn; over 10% of the total actual expenditure for the 2024 fiscal year.

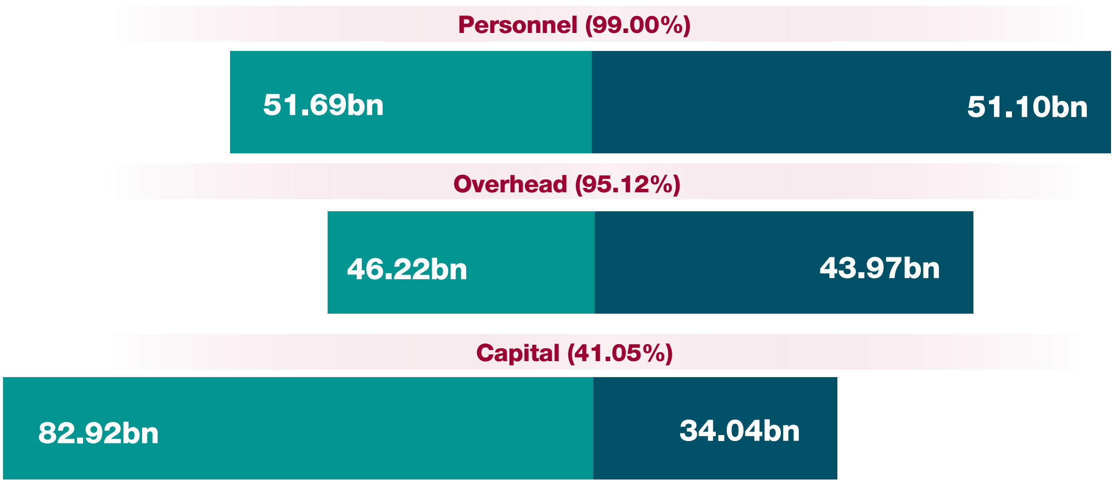
In 2024, the Presidency's budget became a lightning rod for controversy, with several line items drawing sharp criticism for being frivolous or padded. Among the most debated allocations were N5bn earmarked for the renovation of the Dodan Barracks Presidential Lodge, another N5bn for the Vice President's Quarters in Lagos, and a hefty N10bn set aside for the digitalization of the State House and Lagos offices.



Sectoral Analysis

3.1.1 The Presidency

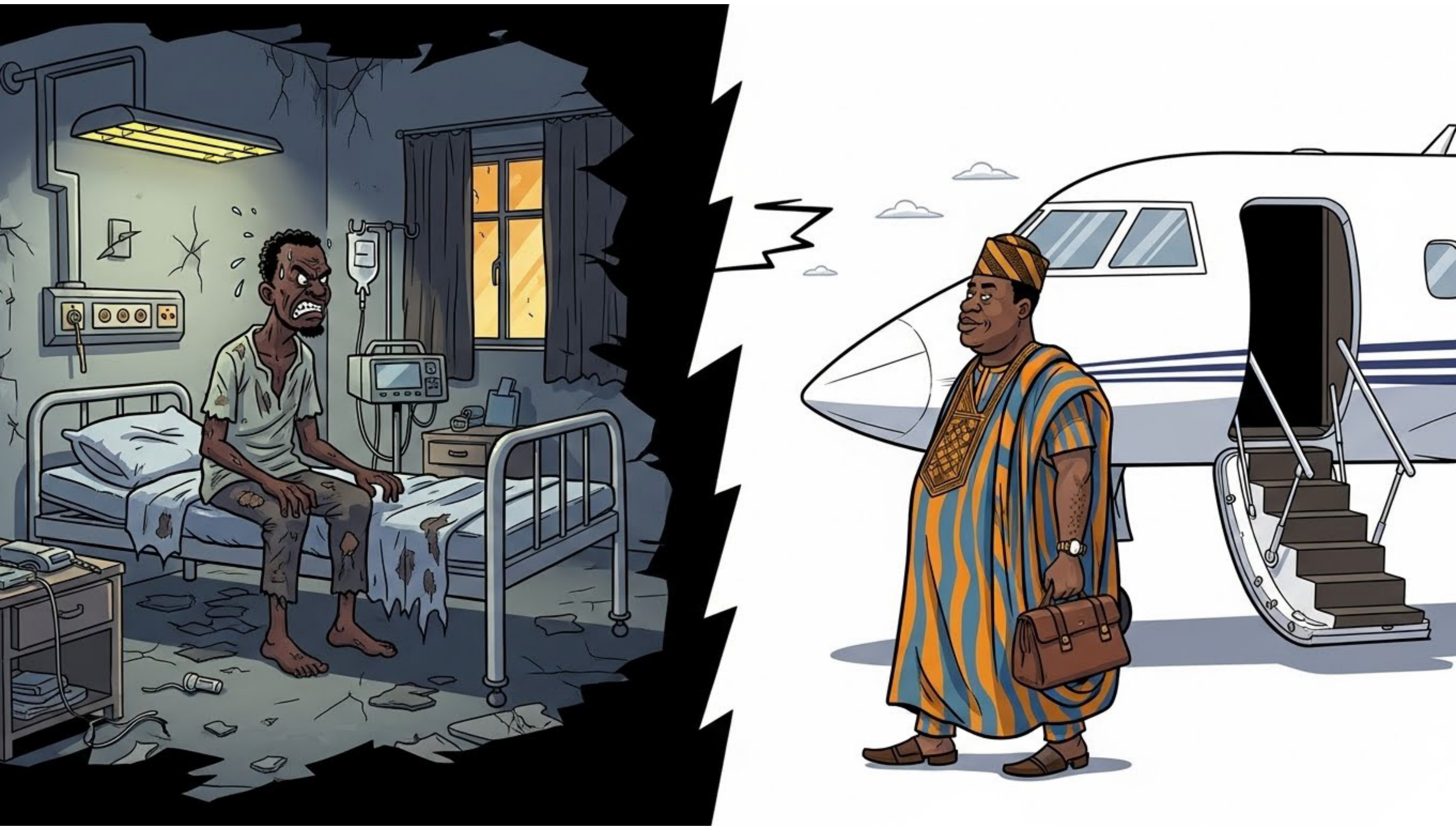
Budgeted (NGN)	Performance (%)	Actual (NGN)
180.84bn	(71.39%)	129.11bn



Source: OAGF and BOF, 2024

With a total budget of N180.84bn, the presidency in a year spent N129.11bn. With a total budget performance of 55.01%. It raises the question of which capital projects were actually carried out, as the absence of transparency in the budget implementation report has weakened any meaningful assessment of the projects undertaken by the Presidency.

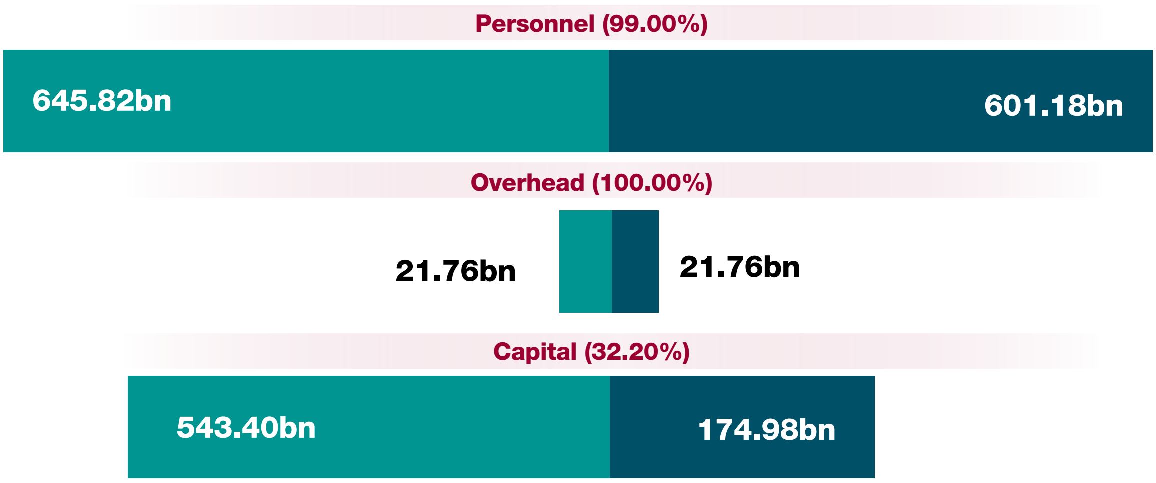
In 2024, the Presidency's budget became a lightning rod for controversy, with several line items drawing sharp criticism for being frivolous or padded. Among the most debated allocations were N5bn earmarked for the renovation of the Dodan Barracks Presidential Lodge, another N5bn for the Vice President's Quarters in Lagos, and a hefty N10bn set aside for the digitalization of the State House and Lagos offices.[11] These figures fueled public debate about priorities and fiscal discipline at the highest levels of government. When the year's implementation report was released, it showed that in 2024, the Presidency budgeted N51.86bn for personnel expenses (although the 2024 appropriation act states N177.42bn)[12] and spent N51.1bn, resulting in a performance rate of 99%. For overheads, N46.22bn was allocated, with an actual expenditure of N43.96bn, reflecting a 95.12% performance. Capital expenditure was set at N82.92bn, covering projects such as the Annual routine maintenance of mechanical/electrical installations of the Villa and the Purchase of State House operational vehicles. However, only N34.04bn was utilized (this includes the renovation of the president's and vice presidents' residences in Lagos),[13] translating to a performance rate of 41.05%. With a total budget of N180.84bn, the presidency in a year spent N129.11bn. With a total budget performance of 55.01%. It raises the question of which capital projects were actually carried out, as the absence of transparency in the budget implementation report has weakened any meaningful assessment of the projects undertaken by the Presidency.



11. Budget Office of the Federation. (2024). 2024 Appropriation Act. Federal Republic of Nigeria. Retrieved November 21, 2025, from https://budgetoffice.gov.ng/index.php/2024-appropriation-act/2024-appropriation-act/download
12. Budget Office of the Federation. (2024, p.1651). 2024 Appropriation Act. Federal Republic of Nigeria. https://budgetoffice.gov.ng/index.php/2024-appropriation-act/2024-appropriation-act/download,.adjustments,conditions
13. This Is Lagos. (2024, July 15). FG begins renovation of former seat of govt, Dodan Barracks. This Is Lagos. https://thisislagos.ng/fg-begins-renovation-of-former-seat-of-govt-dodan-barracks /

3.1.2 The Health Sector

Budgeted (NGN)	Performance (%)	Actual (NGN)
1.21tn	**(65.89%)**	**797.91bn**



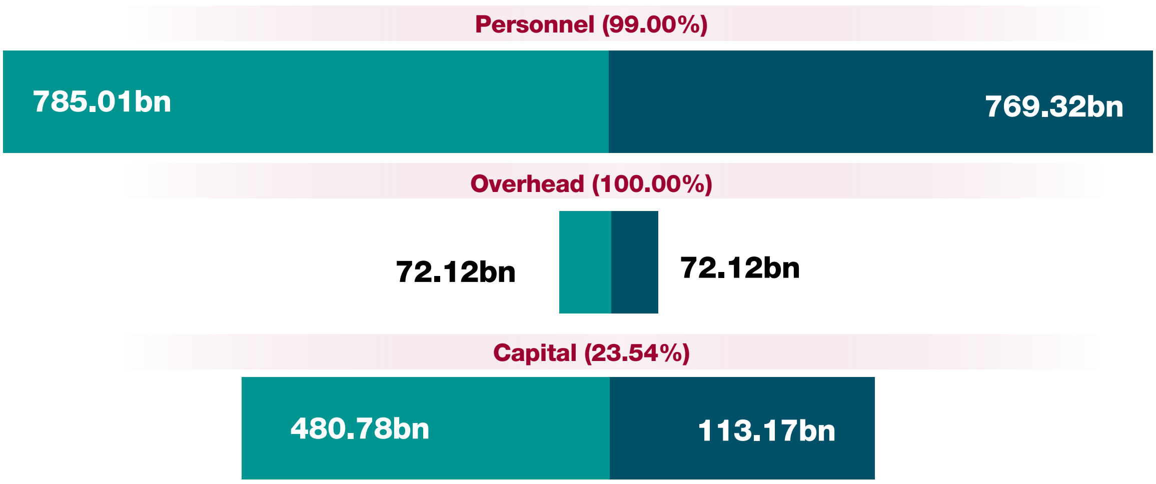
Source: OAGF and BOF, 2024

The day was Monday, the 26th of August 2024, and Resident doctors in Nigeria went on strike. Their requests were better working conditions, salary adjustments, and allowances.[14] Although the government's response always includes the release of funds to address the issues, the health sector cries of unmet commitments (as currently, resident doctors have been on strike since the 1st of November, 2025). In 2024, the Federal Ministry of Health allocated N645.82bn for personnel costs (although the 2024 appropriation act states N771.56bn)[15] and expended N601.18bn, achieving a performance rate of 99%. Overhead expenditure was budgeted at N21.76bn, with actual disbursement of N21.75bn, reflecting a 100% execution rate. The capital budget stood at N543.40bn, earmarked for initiatives such as Integrating diabetes care into the primary healthcare services, procurement and distribution, and training for an on-point locally produced blood glucose monitoring system. However, only N174.97bn was utilized, resulting in a capital performance rate of 32.20%. The substantial shortfall in capital expenditure is worrisome, particularly considering the importance of the targeted initiatives. Prolonged delays in implementing these projects may restrict access to advanced medical services and undermine the healthcare system's ability to effectively manage diseases.

14. Arise News. (2024, August 28). Resident doctors accuse Labour Ministry of misleading Nigerians, insist strike continues. Arise News.Available at Resident Doctors Accuse Labour Ministry of Misleading Nigerians, Insist Strike Continues – Arise News
15. Budget Office of the Federation. (2024, p.1651). 2024 Appropriation Act. Federal Republic of Nigeria. https://budgetoffice.gov.ng/index.php/2024-appropriation-act/2024-appropriation-act/download

3.1.3 The Education Sector

Budgeted (NGN)	Performance (%)	Actual (NGN)
1.34tn	(71.35%)	954.62bn



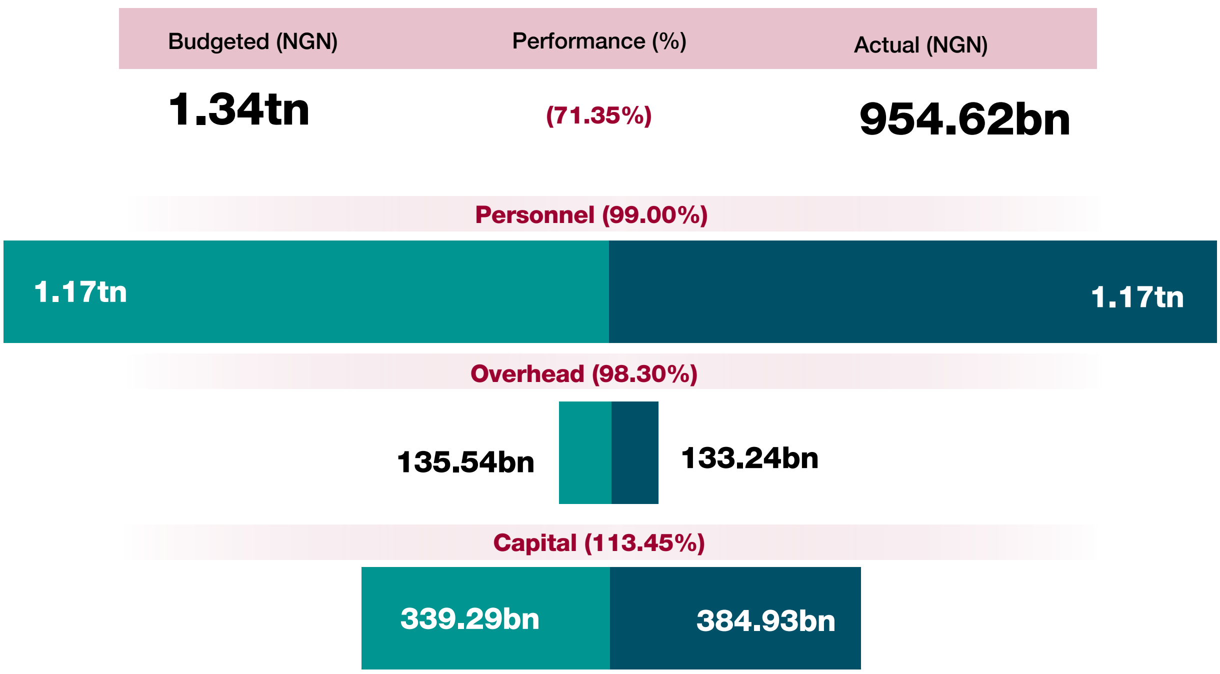
Source: OAGF and BOF, 2024

Education experts have emphasized the urgent need for a systemic overhaul of Nigeria's education sector. Their recommendations highlight a need for stronger government commitment to funding, infrastructure development, curricular reforms, and teacher training, alongside the integration of vocational and technical education to better align learning with labor market demands. They further stress the importance of enhanced monitoring mechanisms, data-driven policymaking, and community engagement as critical tools for improving accountability and educational outcomes. In 2024, the Federal Ministry of Education allocated N785.01bn for personnel expenses (although the 2024 appropriation act states N1.03tn)[16] and spent N769.32bn, achieving a performance rate of 98%. Overhead costs were budgeted at N72.12bn, with actual spending of N72.12bn, reflecting a 100% execution rate. The capital budget stood at N480.78bn, designated for key infrastructure and development initiatives such as Emergency interventions in schools (flooding, windstorm damages, etc and construction and equipping of modern libraries in selected tertiary institutions. However, only N113.17bn was utilized. Within this context of budget implementation, the Nigeria Education Loan Fund (NELFUND) emerged in 2024 as a flagship initiative aimed at expanding access to tertiary education. However, concerns persist regarding the absence of transparent systems to track loan distribution. Reports indicate that by August 2025, approximately N86.3bn had been disbursed to over 450,000 beneficiaries,[17] yet the lack of robust monitoring frameworks raises questions

16. Budget Office of the Federation. (2024, p.1267). 2024 Appropriation Act. Federal Republic of Nigeria. https://budgetoffice.gov.ng/index.php/2024-appropriation-act/2024-appropriation-act/download
17. See Kelechi. (August 11, 2025). Nigerian Education Loan Fund NELFUND: A Complete Students Guide. In Naija Wealth News (Online) Newspaper. Available at:Nigerian Education Loan Fund NELFUND: A Complete Students Guide - Naija Wealth News

about equity, efficiency, and long-term sustainability of the program. Capital budget performance stood at 23.54%. The total education budget stood at N1.34tn, while N954.62bn was spent at 71.35%. Capital expenditure had the least execution. The pronounced underperformance in capital expenditure is concerning, especially given the strategic importance of education-related capital projects. Delays in implementation may impede improvements in learning environments, slow the expansion of educational access, and weaken efforts to enhance teaching quality and institutional capacity across the country.

3.1.4 The Defence Sector



Source: OAGF and BOF, 2024

The National Bureau of Statistics recorded over 2 million kidnappings happening across Nigeria between May 2023 and April 2024.[18] Over 2,000 Nigerians were kidnapped in seven months between January to July 2024.[19] Despite acquiring weapons to the tune of N34bn,[20] despite the large budget and acquisition of arms, there has been no translation of spending to improved security outcomes. The defense budget was marked as one of the largest allocations in the 2024 budget. In 2024, the Defence sector recorded significant variations in budget performance across expenditure categories. For personnel costs, the sector budgeted N1.17tn and expended nearly the same amount, achieving a 99% performance rate. Overhead expenditure was allocated N135.54bn, with actual disbursement of N133.24bn, translating to a 98.3% execution rate. Interestingly, capital expenditure showed an unusual trend. While N339.29bn was budgeted, actual spending reached N384.93bn, (the Nigerian Air Force was said to have received 14 advanced aircraft in 2024), resulting in a 113.45% performance rate.

Overall, the Sector had a total budget of N1.34tn, but actual expenditure stood at N954.62bn, reflecting an overall performance rate of 71.35%. The absence of tangible impact from defense sector spending is deeply concerning, as it directly compromises the safety and well-being of citizens. Despite substantial allocations, the persistence of insecurity highlights inefficiencies in translating financial resources into effective outcomes. Strengthening national security must therefore be treated as a priority, with targeted strategies to curb kidnapping and terrorism, ensuring that investments yield measurable improvements in public protection and stability. Though the National Assembly has struggled with summoning MDAs to their Chambers in the recent past[21] (despite being the only constitutionally empowered entity to do so), the federal parliament should continue to put pressure on the Military and other security agencies in that sector to not only immediately reduce the spate of insecurity but also justify their massive budget.

Despite acquiring weapons to the tune of N34bn, despite the large budget and acquisition of arms, there has been no translation of spending to improved security outcomes. The defense budget was marked as one of the largest allocations in the 2024 budget.

18.See Shuaibu, F., Isamotu I., Martins,B. (December 18, 2024). Nigeria: 614,937 Nigerians Killed, 2.2m Abducted in 1yr - NBS. In Daily Trust (Online) Newspaper. Available at:Nigeria: 614,937 Nigerians Killed, 2.2m Abducted in 1yr - NBS - allAfrica.com

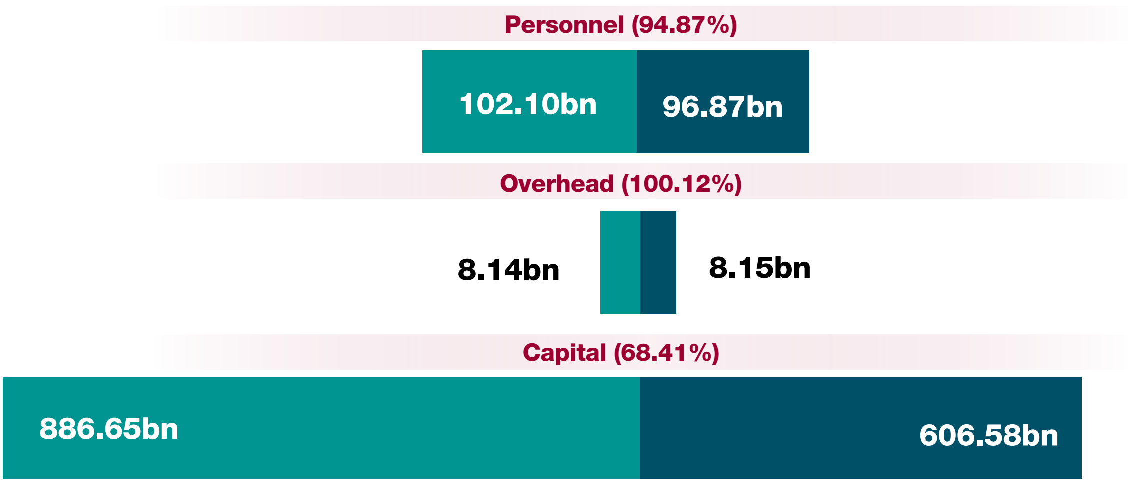
19. See Punch Newspapers (August 18, 2024). 2,140 Nigerians kidnapped in seven months as insecurity worsens. In the Punch (Online) Newspaper. Available at: 2,140 Nigerians kidnapped in seven months as insecurity worsens

20. See Solomon O. (February 16, 2025). FG acquired N32bn weapons, others for military in 2024 – Report. In the Punch (Online) newspaper. Available at:FG acquired N32bn weapons, others for military in 2024 – Report

21. See Aborishade, S. (October 14 2024). Stop Ignoring National Assembly Summons, Presidency Tells MDAs. In This Day (Online) Newspapers. Available at: https://www.thisdaylive.com/2024/10/14/stop-ignoring-national-assembly-summons-presidency-tells-mdas/

3.1.5 The Agriculture Sector

Budgeted (NGN)	Performance (%)	Actual (NGN)
996.89bn	(71.38%)	**711.60bn**

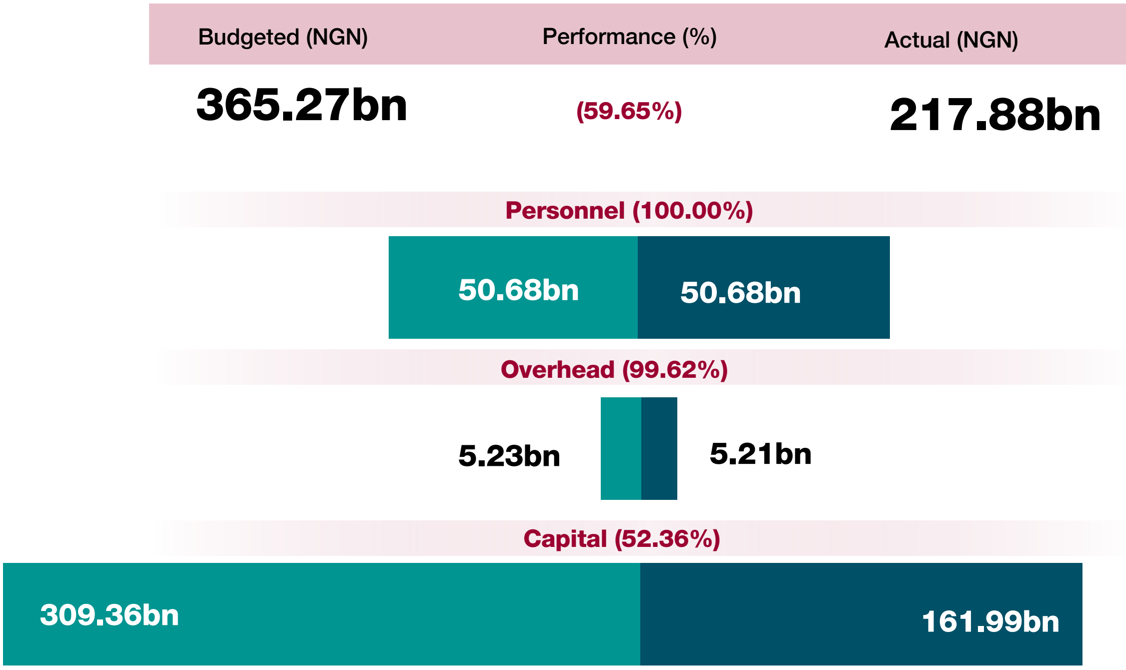


Source: OAGF and BOF, 2024

The federal Ministry of Agriculture's budgetary expenses encompass machinery, agro-industrial modernization, farmers' support, and so on. Crop production, however, remained the dominant activity in the agric sector, accounting for 90% of agricultural value in 2024.[22] Several factors undermine the productivity of the agricultural sector, such as insecurity, high cost of fertilizers, lack of access to funds etc. However, despite all these factors, the Ministry of Agriculture in 2024, budgeted N102.10bn for personnel costs and expended N96.87bn, achieving a 94.87% performance rate. Overhead expenditure was allocated N8.14bn, with actual disbursement of N8.15bn, translating to a 100.12% execution rate. The picture was less encouraging for capital expenditure. Out of the N886.65bn earmarked for critical initiatives such as irrigation infrastructure, mechanization programs, fertilizer distribution, and agro-processing support, only N606.58bn was utilized. Overall, the ministry had a total budget of N996.89bn, but actual expenditure stood at N711.60bn, reflecting an overall performance rate of 71.38%.

22. See CAFSA, (April 8, 2025). ANALYSIS: Seven key issues that shaped Nigeria's agriculture sector in 2024. Community Action for Food Security (website). Available at:ANALYSIS: Seven key issues that shaped Nigeria's agriculture sector in 2024 – CAFS Africa

3.1.6 The Science and Technology Sector

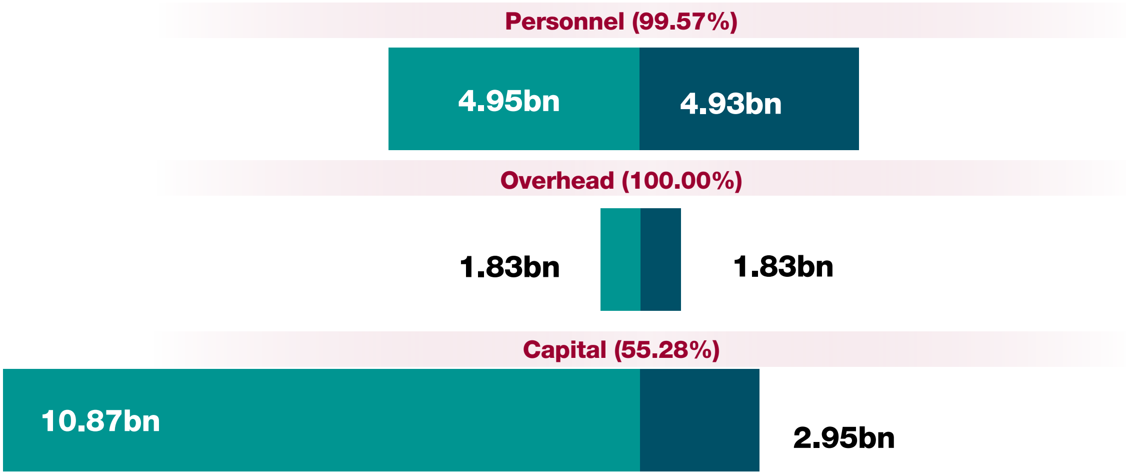


Source: OAGF and BOF, 2024

As one of the sectors that holds significant promises as a driver of National development, innovation, and economic diversification in Nigeria, the Ministry of Science and Technology participated in some ambitious projects, such as research funding, technological innovations, and so on. The Ministry of Science and Technology in 2024 allocated N50.68bn for personnel costs, with actual expenditure matching the allocation at N50.68bn, resulting in a perfect 100% performance rate. Overhead spending was similarly efficient: of the N5.23bn budgeted, N5.21bn was disbursed, translating to a strong 99.62% execution rate. However, capital expenditure told a different story. Out of the N309.36bn earmarked for strategic initiatives such as research infrastructure, innovation hubs, technology incubation programs, and scientific equipment procurement, only N161.99bn was utilized. This reflects a modest 52.36% performance rate, underscoring significant under-execution in critical development projects. Overall, the ministry had a total budget of N365.27bn, but actual expenditure stood at N217.88bn, yielding an overall performance rate of 59.65%.

3.1.7 Special Duties

Budgeted (NGN)	Performance (%)	Actual (NGN)
17.66bn	(55.01%)	9.72bn



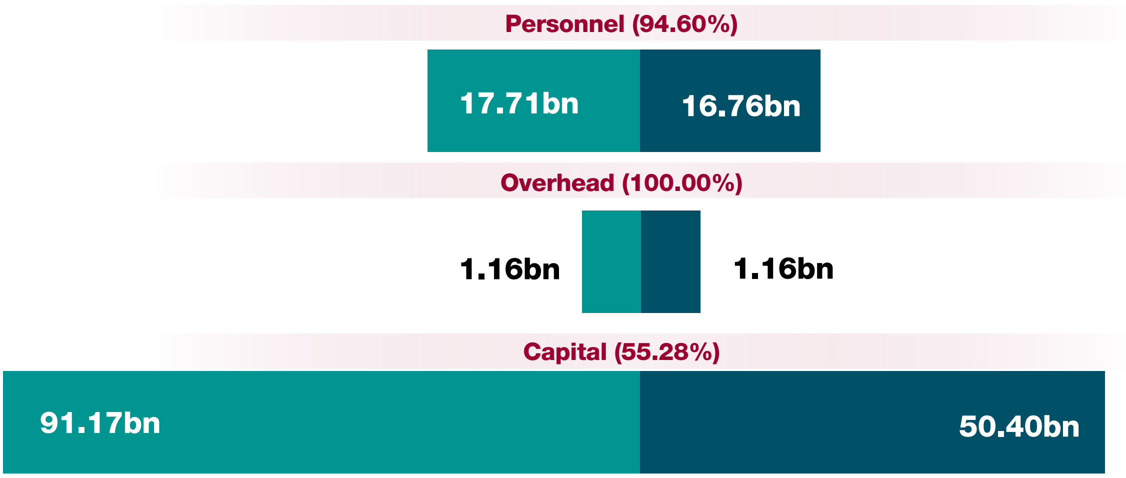
Source: OAGF and BOF, 2024

The Special Duties sector in Nigeria achieved an overall budget execution rate of 55.01% in 2024, utilizing approximately N9.72bn of its N17.66bn total budget. This performance rate suggests moderate success but indicates a significant amount of under-execution, mainly concentrated in capital projects.

The recurrent expenditure components demonstrated near-perfect implementation efficiency. Both personnel and overhead categories were almost fully spent, indicating stable and uninterrupted operations for the sector's staff and day-to-day administration. Personnel spending was 99.57% utilized (N4.93bn actual against N4.95bn budget), while overhead spending was 100% utilized (N1.84bn actual). In contrast, Capital Expenditure (Capex) was the primary drag on overall performance. With a budget of approximately N10.87bn, the actual expenditure was only about N2.95bn, resulting in a low utilization rate of 27.11%. This substantial underspending of over N7.9bn suggests significant delays, non-implementation, or outright cancellation of crucial capital projects planned for the Special Duties sector. While the operational costs and staff salaries were fully funded, the sector failed to implement nearly three-quarters of its budgeted development and investment projects, limiting its ability to achieve key mandate objectives.

3.1.8 Transport

Budgeted (NGN)	Performance (%)	Actual (NGN)
110.05bn	(62.09%)	68.33bn



Source: OAGF and BOF, 2024

The Nigerian transportation sector, which includes critical components such as roads, railways, ports, and airports, highlights the broader disparities in infrastructure development and economic policy across the country. The 2024 budget performance analysis reveals a significant disconnect between stable operational expenditures and the lack of execution of essential capital projects for modernization.

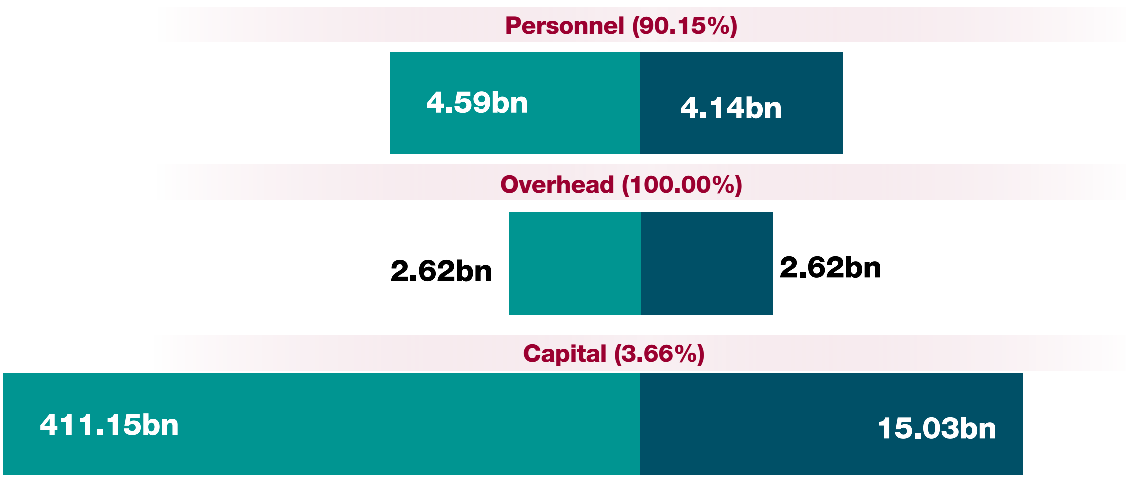
The transportation sector recorded an overall budget execution rate of 62.09%, utilizing approximately N68.33bn out of a total budget of N110.06bn. The sector showcased high efficiency in recurrent costs, achieving a staggering 94.6% utilization for personnel costs (N16.76bn) and nearly 100% for overheads. This indicates stability in staff remuneration and operational procedures. A key issue was the constrained Capital Expenditure (Capex), with only N50.40bn spent against a substantial budget of N91.18bn, resulting in a low utilization rate of 55.28%. The nearly N40.78bn underspending underscores a critical challenge that exacerbates the existing uneven development in Nigeria's infrastructure.

The inability to allocate critical capital funds impeded the realization of vital projects necessary for elevating the transport sector to international standards. Key initiatives affected by this underspending include: Activation of the rehabilitated Lagos-Kano railway for freight is crucial for decongesting roads and enhancing northern trade, the rejuvenation of the Dala Inland Dry Port is essential for improving trade efficiency. And completing coastal rail projects connecting Lekki to Apapa/Tin-Can ports is vital for alleviating traffic and boosting maritime efficiency.[23] Overall, while operational costs were effectively managed, the significant failure to execute the Capex budget continues to hinder crucial infrastructure developments necessary for Nigeria's economic advancement.

23. See Onyema, J. (2025, January 14). 2025 Budget: FG allocates N256bn to transport sector. The Punch. https://businessday.ng/transport/article/2025-budget-fg-allocates-n256bn-to-transport-sector/

3.1.9 Power

Budgeted (NGN)	Performance (%)	Actual (NGN)
418.37bn	**(5.21%)**	**21.79bn**



Source: OAGF and BOF, 2024

Nigeria's persistent power issues have prompted various initiatives, including the Presidential Power Initiative (PPI). Launched by the Ministry of Power in February 2024, the PPI aims to enhance the transmission wheeling capacity by 272 megawatts, ensuring improved electricity delivery nationwide.[24] The federal government also announced an $800mn investment through the PPI, targeting the generation of 6,000 megawatts by the end of 2024 and 25,000 megawatts by 2025. However, despite these significant investments and ambitious plans, the PPI has struggled to meet its targets, particularly the critical goal of generating 6,000 megawatts by the end of 2024.[25]

The Nigerian Power sector faced a severe budgetary crisis in 2024, recording an exceptionally low overall budget execution rate of just 5.21%. Out of a total allocation of over N418.37bn, only approximately N21.80bn was utilized. This performance demonstrates a near-total collapse in the implementation of the sector's mandated projects and investment plans for the year. While the recurrent budget provided a facade of stability with personnel costs achieving over 90% utilization and overhead costs nearly 100%, ensuring staff salaries and administrative functions were maintained—this stability was fundamentally superficial.

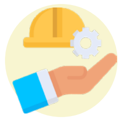
The less than optimal performance was entirely driven by the Capex component. The sector allocated over N411.15bn (more than 98% of the total budget) for infrastructure development but managed to spend only N15.03bn, resulting in a dismal utilization rate of just 3.66%. This failure represents a massive

24. See FG Power, A. (2024, January 27). Hon. Minister of Power Commissions Five Projects Under Phase I of the Presidential Power Initiative (PPI). FGN Power Power Presidential Power Initiative.
https://fgnpowerco.ng/hon-minister-of-power-commissions-five-projects-under-phase-i-of-the-presidential-power-initiative-ppi/
25. See Odeyinka, O. (2025, October 5). 2025 Budget: Ministry of Power to spend N150 billion on PPI transmission projects.
https://nairametrics.com/2025/01/05/2025-budget-ministry-of-power-to-spend-n150-billion-on-ppi-transmission-projects/

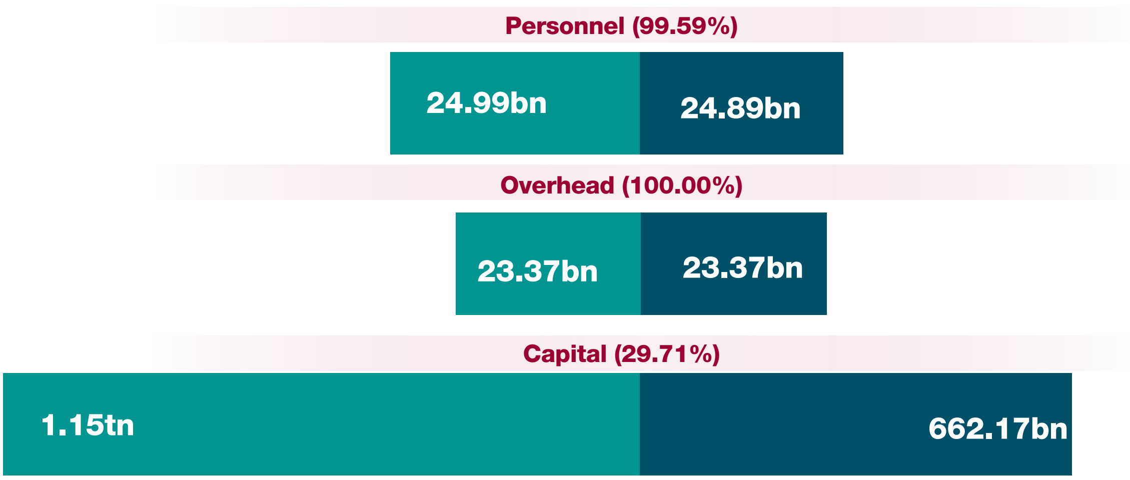
underspending of approximately N396.12bn in crucial capital funds. Such a monumental variance signifies that virtually every major planned generation, transmission, and distribution project the very investments needed to stabilize and expand the national grid were not fully implemented.

The 2024 budget performance reveals that the Federal Government's financial commitment to revolutionizing the power sector was not translated into tangible action. The sector prioritized maintaining basic administrative function over making the necessary capital investments. The failure to deploy nearly 96% of the developmental funds allocated to Capex directly guarantees the continuation of low supply, infrastructural deficiencies, and poor service delivery, making the overall 5.21% execution rate a critical indicator of stagnation in Nigeria’s most vital infrastructure area.

3.1.10 Works, Housing and Urban Development



Budgeted (NGN)	Performance (%)	Actual (NGN)
1.20tn	**(59.13%)**	**710.45bn**



Source: OAGF and BOF, 2024

Nigeria's infrastructure landscape reflects a synergy of ambitious government initiatives, focused project prioritization, and ongoing challenges. With a population exceeding 200 million, comprehensive infrastructure development is critical to fostering the country's economic growth and ensuring social stability. The Ministry of Works, Housing, and Urban Development plays a vital role in this endeavor through effective urban planning and the construction of essential infrastructure, including roads, water supply systems, and sanitation facilities. By addressing these foundational needs, the ministry not only enhances connectivity and accessibility but also stimulates economic opportunities across various sectors. Improved infrastructure serves to attract investments, reduce transportation costs, and facilitate trade, ultimately contributing to higher living standards for residents. Furthermore, by ensuring that urban development is sustainable and inclusive, the ministry helps create communities that support social cohesion and enhance the overall quality of life, thereby forming a pivotal aspect of Nigeria's long-term growth strategy.

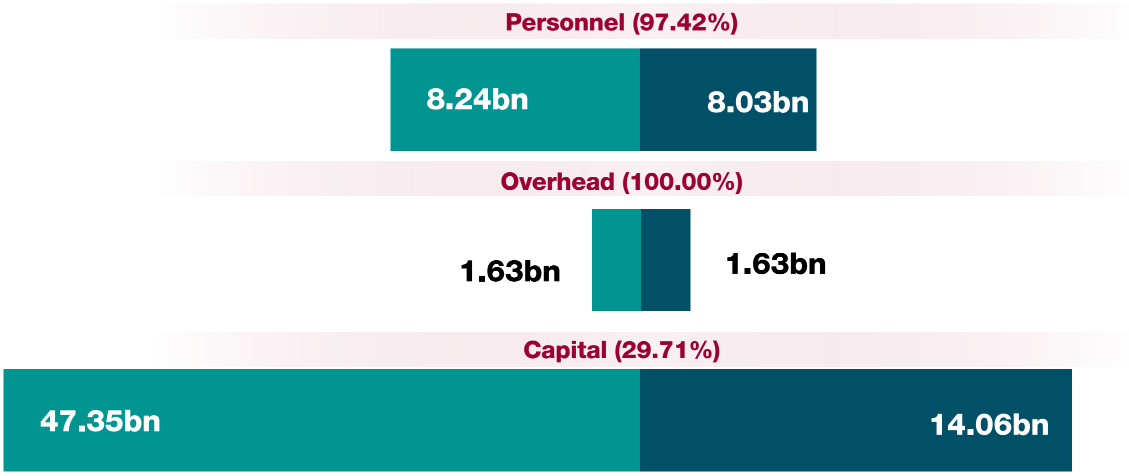
The Federal Ministry of Works, Housing and Urban Development recorded a moderate budget execution rate of 59.13% in the 2024 fiscal year, spending approximately N710.45bn out of a total budget of N1.20tn. While achieving over half of its financial targets, this performance means that a massive 40.87% of planned allocations remained unspent. A look into the recurrent expenditure, Personnel and Overhead, showed near-perfect utilization, demonstrating the Ministry's administrative stability. Personnel costs were utilized at 99.59% and overhead costs at virtually 100%, indicating that staff salaries and routine operational expenses were efficiently and fully covered.

The primary challenge and the source of the overall underperformance lay in the Ministry's Capital Expenditure. Against a formidable Capex budget of N1.153tn dedicated to infrastructure development, the Ministry managed to spend only N662.18bn. This resulted in a utilization rate of a disappointing 57.42% for capital projects. The failure to deploy the remaining 42.58% of the capital budget amounting to approximately N490.95bn is highly significant. The budget performance shows that the Ministry critically fails to execute its core mandate of large scale infrastructure delivery. The underspending of almost half a trillion naira in capital funds means that numerous road construction, housing provision, and urban development projects were either stalled or not initiated. This significant gap between allocation and execution ultimately limits the Ministry’s ability to drive essential economic growth and address the nation’s pressing infrastructure deficits.

The Federal Ministry of Works, Housing and Urban Development recorded a moderate budget execution rate of 59.13% in the 2024 fiscal year, spending approximately N710.45bn out of a total budget of N1.20tn. While achieving over half of its financial targets, this performance means that a massive 40.87% of planned allocations remained unspent.

3.1.11 Aviation

Budgeted (NGN)	Performance (%)	Actual (NGN)
57.23bn	**(41.47%)**	**23.73bn**



Source: OAGF and BOF, 2024

The Nigerian Aviation sector recorded a budget execution rate of 41.47% in 2024, utilizing approximately N23.73bn of its total N57.23bn budget. This significantly low performance rate underscores a substantial failure in implementing planned activities and development projects. The recurrent expenditure categories showed high efficiency; personnel spending reached 97.4% utilization (N8.03bn actual against N8.24bn budget), while overhead costs were almost perfectly spent at nearly 100% (N1.63bn actual). This confirms that salaries and day-to-day operational costs were consistently met.

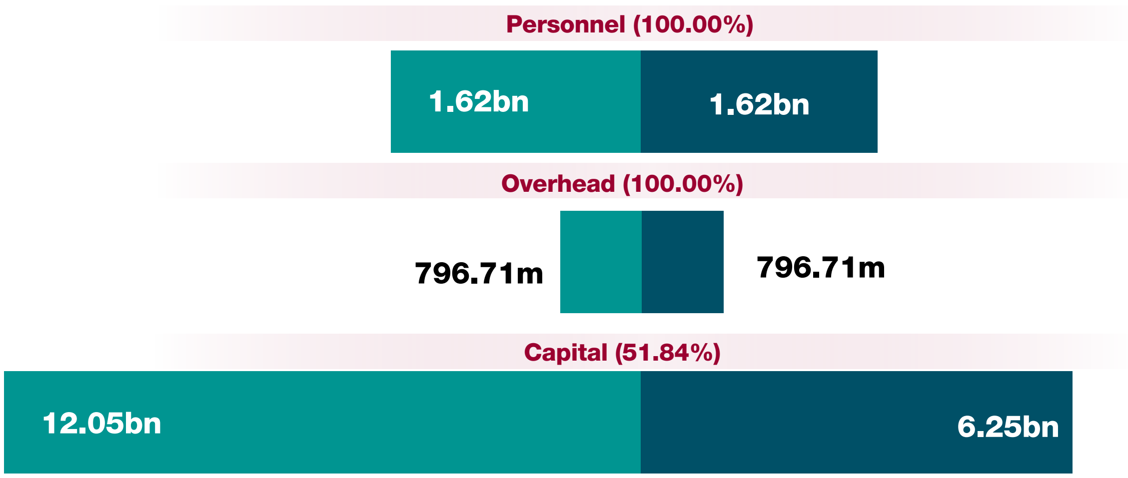
However, the sector's growth was heavily constrained by the minimal execution of Capex. Against a budget of N47.36bn, actual spending was only N14.07bn, resulting in a utilization rate of a mere 29.71%. This indicates that over N33.29bn in crucial funds intended for airport upgrades, navigational equipment, and infrastructure modernization were left unspent.

This budgetary lag occurs despite the sector facing major external financial pressures. At the beginning of 2024, the sector was grappling with more than $800mn in stranded airline revenues due to Foreign Exchange shortages, which caused some international carriers to cut back services or threaten withdrawal.[26] Although the Central Bank of Nigeria ultimately resolved $850mn of these funds, enhancing relationships with foreign carriers, the simultaneous failure to execute 70% of its domestic capital budget suggests an internal incapacity to drive critical physical infrastructure development alongside resolving external financial crises.

26. See Okeke-Korieocha, I., & Okpale, F. (2025, January 3). New routes, aircraft scarcity mark Nigeria's aviation in 2024. BusinessDay. https://businessday.ng/aviation/article/new-routes-aircraft-scarcity-mark-nigerias-aviation-in-2024/

3.1.12 Women Affairs

Budgeted (NGN)	Performance (%)	Actual (NGN)
14.48bn	(59.90%)	**8.67bn**



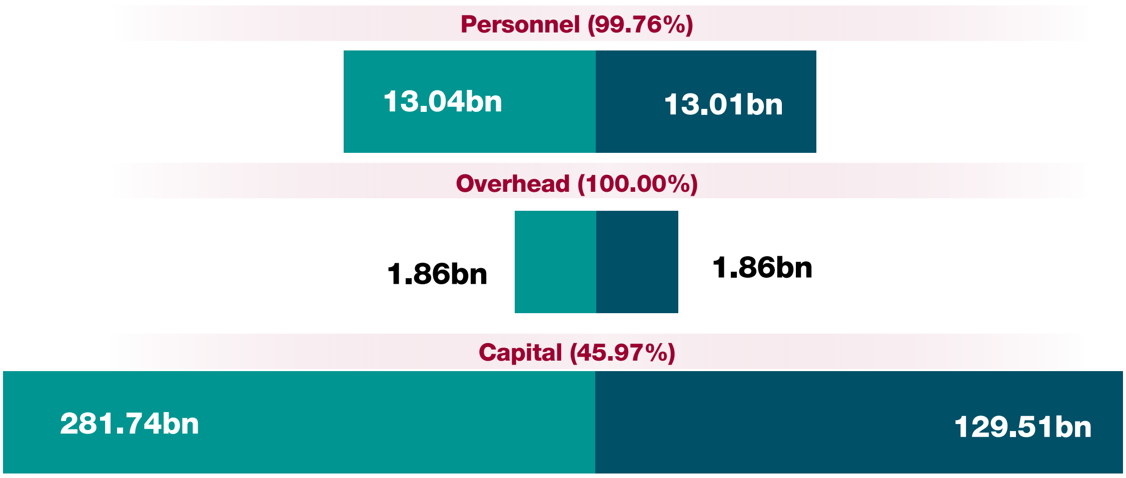
Source: OAGF and BOF, 2024

In the 2024 fiscal year, the Federal Ministry of Women Affairs achieved an overall budget execution rate of 59.90%, utilizing approximately N8.67bn from its total allocation of N14.48bn. This performance indicates that over 40% of planned programs and financial resources remained unspent by the year's end. A closer look at recurrent expenditures shows strong fiscal control, with both personnel and overhead costs utilized at nearly 100%, ensuring administrative stability and timely staff remuneration.

The primary barrier to a higher execution rate was the significant shortfall in the capital expenditure. With a substantial Capex budget of approximately N12.06bn earmarked for developmental initiatives, the Ministry only managed to spend around N6.25bn, resulting in a utilization rate of just 51.82% for capital projects. The unspent balance of N5.81bn is particularly troubling for a sector focused on social and human development. The budget performance shows a significant gap between the Ministry's ability to carry out developmental programs and its efficient operational administration. The Ministry's ability to implement and maintain significant programs pertaining to women's economic empowerment, gender equality, and the provision of crucial welfare and support services for children and victims of gender-based violence nationwide was severely hampered by the inability to allocate nearly half of the capital budget.

3.1.13 Water Resources

Budgeted (NGN)	Performance (%)	Actual (NGN)
296.64bn	(48.67%)	144.37bn



Source: OAGF and BOF, 2024

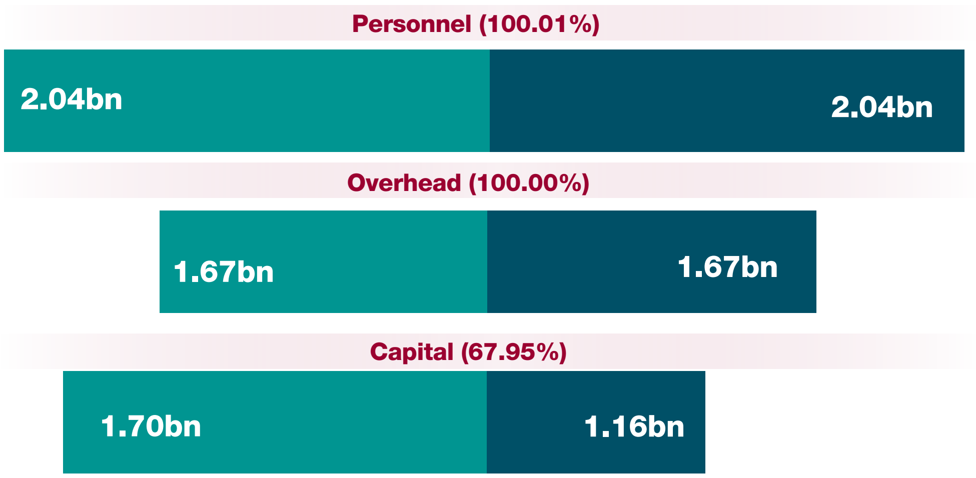
In the 2024 fiscal year, the Federal Ministry of Water Resources achieved a moderate budget execution rate of 48.67%, spending approximately N144.38bn out of a total allocation of N296.64bn. This performance suggests that over 51% of the Ministry's planned activities and resource utilization were not realized, adversely affecting its capacity to meet national goals for water supply, sanitation, and agricultural irrigation. Despite this moderate score, the Ministry demonstrated excellent control over recurrent costs, with personnel expenditures reaching about 99.76% and overhead costs at nearly 100%. This level of efficiency ensures that administrative operations and staff salary obligations were consistently met, highlighting a strong fiscal foundation for routine functions.

However, the primary reason for the underperformance lies in the Ministry's inability to implement its development agenda, which heavily relies on the capital expenditure budget. With a substantial Capex allocation of N281.74bn, the Ministry managed to expend only about N129.51bn, resulting in a low utilization rate of 45.97%. The unspent balance of N152.23bn significantly hindered critical infrastructure projects essential for national well-being.

Overall, the 2024 budget performance highlights a significant disconnect between the Ministry's effective operational management and its capacity for development. While the Ministry excels at managing internal staff and routine expenses, the considerable underspending of nearly N152.23bn in its Capex budget means that crucial capital projects lag behind. This shortfall directly obstructs the country's progress towards sustainable water resource management and exacerbates ongoing challenges related to inadequate access to potable water and food insecurity, which depend on modern irrigation systems.

3.1.14 Solid Minerals

Budgeted (NGN)	Performance (%)	Actual (NGN)
5.42bn	(89.93%)	4.87bn



Source: OAGF and BOF, 2024

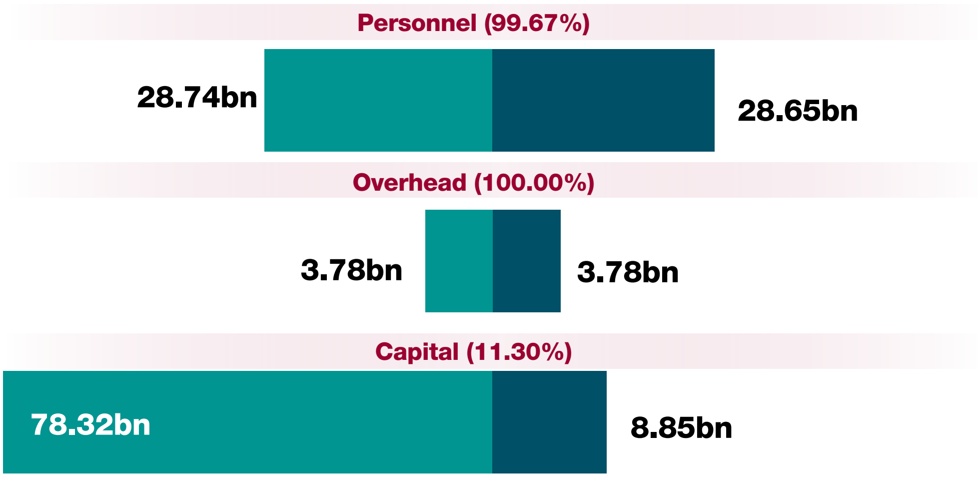
In 2024, the Federal Ministry of Solid Minerals showcased an impressive financial performance, achieving an overall budget execution rate of 89.93%. The Ministry effectively utilized approximately N4.88bn from a total allocation of N5.42bn, reflecting a strong commitment to fulfilling its fiscal and developmental goals for the year. The recurrent expenditure segments, vital for maintaining administrative and staffing stability, were executed with nearly perfect efficiency. The personnel and overhead budget reached a 100% utilization. This high level of efficiency means that all staff salaries, administrative functions, and operational expenses were comfortably managed throughout the fiscal period, laying a solid foundation for the Ministry's core responsibilities.

Furthermore, the Ministry demonstrated its dedication to its developmental agenda with a solid performance in capital expenditure. With a Capex budget of N1.70bn, the Ministry expended approximately N1.16bn, resulting in a commendable utilization rate of 68.07%. Although this rate is lower than that of recurrent expenditures, it remains significantly higher than the average capital execution rates observed in other government sectors. Indicates that most planned capital projects by the ministry were successfully initiated and advanced.

The Ministry's 2024 budget performance demonstrates that it is both extremely successful in carrying out projects and economically responsible. The government's efforts to diversify the economy through the solid minerals sector were directly supported by the high 89.93% overall execution rate, which shows that the funds allotted were nearly entirely put into effect. This Ministry successfully prioritized the deployment of developmental funds, setting the industry up for prospective growth and enhanced contribution to the national economy through improved value addition and modernized mining processes, in contrast to sectors beset by severe capital underspending.

3.1.15 Environment

Budgeted (NGN)	Performance (%)	Actual (NGN)
110.85bn	(37.25%)	41.29bn



Source: OAGF and BOF, 2024

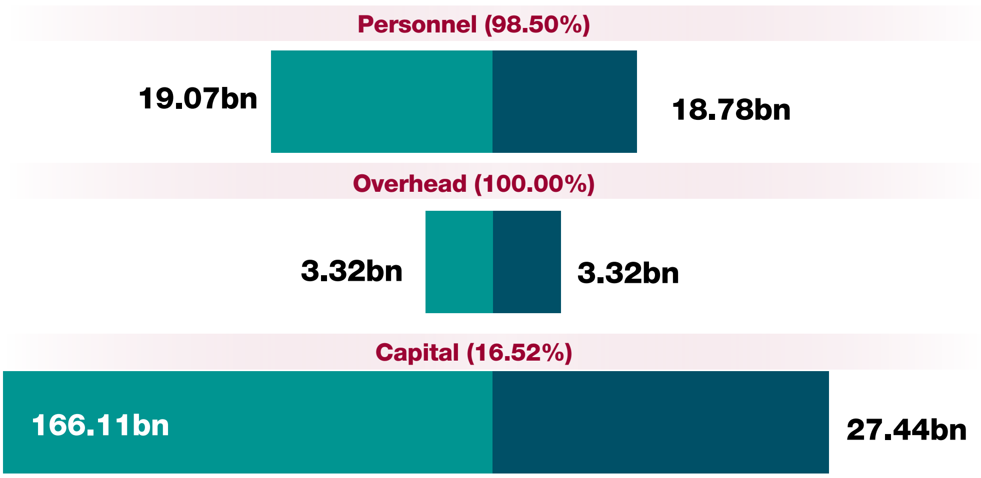
The Federal Ministry of Environment recorded a drastically low overall budget execution rate of 37.25% in the 2024 fiscal year, utilizing approximately N41.29bn out of its substantial total allocation of N110.86bn. This significant underperformance means that almost two-thirds of the planned funding for environmental protection, remediation, and climate change initiatives was not deployed. Despite this failure in project execution, the Ministry exhibited complete administrative stability in its recurrent spending. Both personnel and overhead costs were utilized at rates of approximately 99.67% and 100% respectively, ensuring that staff salaries and the routine administrative functions necessary for daily operations were maintained. This high efficiency in recurrent expenditure, however, starkly contrasts with the Ministry's failure to implement its core mandate.

The primary and overwhelming cause of the low overall execution rate was the catastrophic underspending in the Capital Expenditure against a considerable Capex budget of N78.32bn dedicated to developmental and high-impact environmental projects, the Ministry only managed to spend a paltry N8.85bn. This resulted in an abysmal utilization rate of just 11.30%. The failure to deploy the remaining N69.47bn in capital funds represents a critical setback for national environmental stability. These funds are vital for projects like erosion and flood control, pollution abatement, desertification control, and the remediation of degraded lands—all urgent priorities that were demonstrably stalled.

The 2024 budget performance for the Ministry of Environment highlights a critical and severe disconnect: the administrative framework is financially sound, but the capacity for developmental project execution is almost nonexistent. The failure to utilize nearly 89% of the capital budget indicates that the urgent challenges of environmental degradation and climate change were largely neglected during the fiscal year. This massive underspending directly impacts the nation's ability to achieve ecological sustainability goals, meaning that crucial interventions for public safety and health were significantly compromised, with funds remaining trapped while environmental hazards continue unabated.

3.1.16 Industry, Trade, and Investment

Budgeted (NGN)	Performance (%)	Actual (NGN)
188.49bn	(26.28%)	**49.54bn**



Source: OAGF and BOF, 2024

Industry, Trade, and Investment sector, financial performance for the fiscal year 2024. The overall budget execution performance for the sector was remarkably low at 26.28% of the total allocated budget of approximately N188.5bn. This significant shortfall indicates a critical failure in program implementation. A breakdown of the expenditure categories reveals the source of this poor performance: capital expenditure. The recurrent segments personnel and overhead show near perfect utilization. Personnel costs of N18.78bn were almost fully spent against the N19.07bn budget, and overhead spending was virtually 100%. This suggests that the sector’s day-to-day operations and salary obligations were stable and fully met.

However, the capex component, which constitutes the bulk of the total budget (N166.11bn), was drastically underexecuted. The actual capex spending of N27.45bn represents an abysmal utilization rate of just 16.52%. The resulting variance of over N138.6bn in unspent funds is the primary driver of the overall 26.28% performance. The implication is clear: while the ministry maintained its basic operational structure (personnel and overhead), it largely failed to execute the crucial investment and development projects necessary to drive industrial growth, trade facilitation, and new investment in the Nigerian economy. This low execution rate hampers the sector's mandated objectives and the broader economic development goals.

Industry, Trade, and Investment sector, financial performance for the fiscal year 2024. The overall budget execution performance for the sector was remarkably low at 26.28% of the total allocated budget of approximately N188.5bn. This significant shortfall indicates a critical failure in program implementation.

The significant gap between budgeted and actual capital spending illustrated by a remarkable underexecution rate in nearly every sector jeopardizes the government's ability to address vital national issues such as infrastructure development, healthcare access, and environmental sustainability.

Conclusion

With concurrent implementations of the 2024 capital expenditures alongside the 2025 recurrent allocations, the government has not only harmed established financial regulations but also compromised transparency and accountability in fiscal reporting.

The 2024 Federal Government Budget Performance Analysis paints a concerning picture of fiscal management and execution in Nigeria. With concurrent implementations of the 2024 capital expenditures alongside the 2025 recurrent allocations, the government has not only harmed established financial regulations but also compromised transparency and accountability in fiscal reporting. The "Provisional" status of the Q4 Budget Implementation Report highlights a troubling trend of deferring critical budgetary components, resulting in an inefficient and opaque implementation process.

Despite a notable revenue growth of 68.04% from the previous fiscal year, the government fell short of its ambitious revenue targets, realizing only 81.07% of projected earnings. Key revenue sources demonstrated variability, with solid minerals and tax revenues showing promising results, while the non-collection of dividends from the Nigeria Liquified Natural Gas (NLNG) represents a significant failure. While operational expenditures have been managed with high efficiency, the capital expenditure narrative tells a different story of widespread underperformance across crucial sectors, including health, education, power, and environment, revealing deep-seated structural challenges.

The significant gap between budgeted and actual capital spending illustrated by a remarkable underexecution rate in nearly every sector jeopardizes the government's ability to address vital national issues such as infrastructure development, healthcare access, and environmental sustainability. As the administration grapples with deficits exceeding initial projections, the lack of transparency regarding the distribution and application of funds raises legitimate concerns about governance and the rule of law.

Additionally, this may be the first time in recent history that the Q4 BIR, published by the Budget Office of the Federation, leaves readers with more questions than answers. Given that the current budget year is being implemented alongside the Personnel and Overhead components of the 2025 fiscal year, it is imperative for the federal government to finalize its documentation and officially close the 2024 fiscal year. This aligns with fundamental accounting principles, such as timeliness and periodicity, which mandate a clear closure of accounts for each fiscal year.

Furthermore, the government is expending significant amounts of limited revenue on debt servicing and has recently expanded its borrowing plans to accommodate additional loans. This situation requires urgent attention, as the federal government has flouted its own rules regarding loans by failing to provide Cost-Benefit analyses to justify these financial decisions to the public. As suggested by BudgIT, if debt must be incurred, it should ideally be through Sukuk Bonds, which restrict the use of funds to capital projects rather than less transparent options like Eurobonds.

Ultimately, Nigerians yearn for a return to a time when the publication of Budget Implementation Reports was routine, and the federal government did not require nudging to fulfill its statutory obligations. With an election year approaching, one can only speculate whether this trend will change; however, there is a glimmer of optimism among citizens that the government may yet provide a pleasant surprise. As we look ahead, the imperative remains clear: the government must prioritize effective implementation and transparency to restore public trust and advance its developmental aspirations. Without urgent measures to rectify these oversights and improve execution, the ongoing fiscal shortcomings will likely hinder national progress and delay essential reforms necessary for sustainable development in Nigeria.

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Recommendations

1

The government needs to officially conclude the 2024 fiscal year by finalizing all budget documentation, ensuring compliance with the accounting principles of timeliness and periodicity. This step will help resolve the confusion surrounding the concurrent implementation of budgets. Additionally, clear and transparent communication regarding the status of both the 2024 and 2025 budgets is essential, including a schedule for completing any pending approvals and implementation timelines.

2

To enhance accountability and transparency, the government should ensure the timely publication of Budget Implementation Reports (BIRs) within the mandated 30 days after each quarter, in line with the Fiscal Responsibility Act of 2007. Additionally, adopting comprehensive disclosure standards that provide detailed analyses of variances between budgeted and actual revenues and expenses particularly in sectors experiencing significant underperformance will further bolster public trust in government reporting practices.

3

To enhance budget execution, it is essential to prioritize capital expenditure by establishing a robust monitoring framework that guarantees allocated funds are effectively and promptly utilized, particularly for infrastructure development in health, education, and other critical sectors. Also, tailored action plans should be created for sectors facing chronic underperformance to identify and address bottlenecks, along with regular updates and progress reports provided to stakeholders to ensure accountability and transparency.

4

To strengthen revenue generation, the government should focus on implementing equitable tax laws that broaden the tax base, ensuring that revenue collection is fair and accountable while reducing reliance on borrowing. It is also crucial to conduct an immediate audit of NLNG dividends to identify the reasons behind their non-collection and develop strategies to rectify this issue, thereby establishing a consistent revenue stream.

5

The government should reevaluate its suggested borrowing tactics and give priority to more sustainable instruments, such Sukuk Bonds, which are only used to finance capital projects, in order to enhance debt management. All new loans must also be required to undergo thorough cost benefit evaluations, and the results of these analyses must be made public. This strategy will promote public trust and adherence to fiscal regulations, improve transparency, and help defend borrowing decisions.

6

The government should involve civil society organizations in budget monitoring and possibly create public forums for input on budget implementation in order to improve accountability and transparency in the budget process. The National Assembly must also improve its oversight capabilities by aggressively calling Ministries, Departments, and Agencies (MDAs) to resolve disparities in budget performance and make sure that any non-compliance is dealt with appropriately.

7

The government should fund training programs for officials that emphasize budget management, transparency, and compliance with fiscal regulations in order to enhance financial management. The total efficacy and accountability of implementing budgets can be greatly increased by raising the proficiency of government employees in these areas.

8

In order to improve public engagement and accountability, the government should produce clearly comprehensible and accessible reports on budget performance. Additionally, maintaining public interest and confidence in government financial management would be facilitated by regular reports on the country's fiscal health, including details on budget performance, tax collection, and expenditures.

With all of this, the Nigerian government can work towards creating a more effective, transparent, and accountable fiscal environment that fosters sustainable development and governance. This proactive approach will not only address the immediate fiscal challenges but also lay a stronger foundation for long-term economic resilience.

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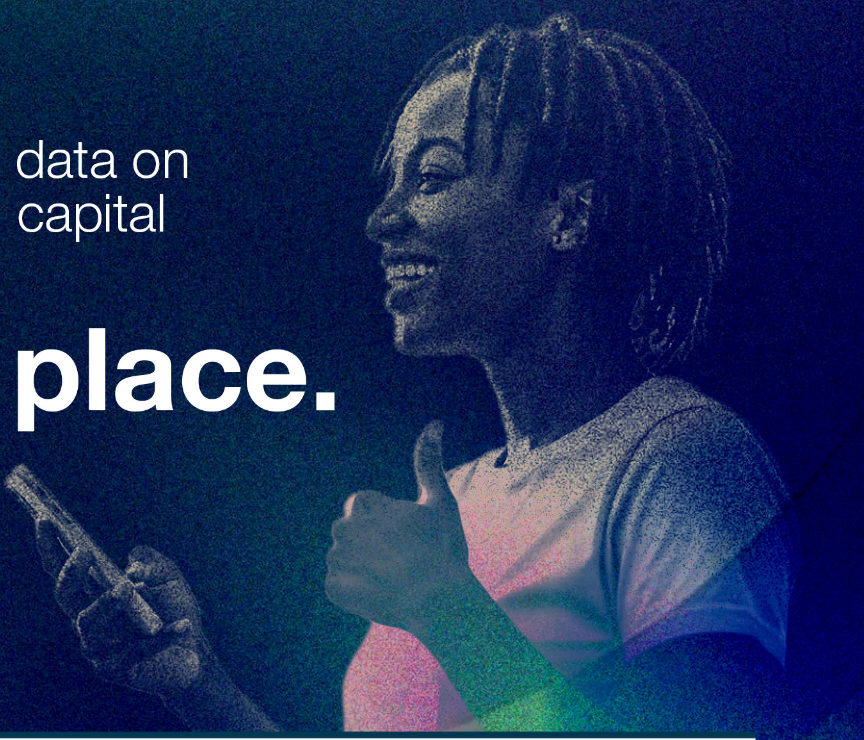

Access disaggregated data on federal allocations and capital projects

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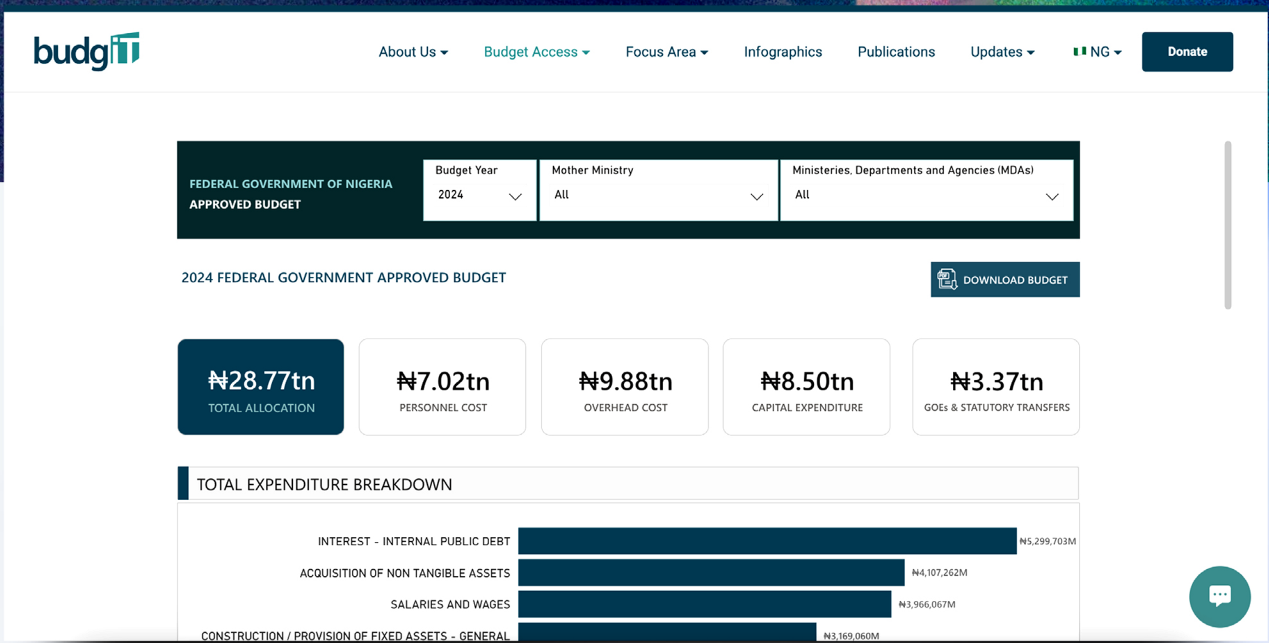

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