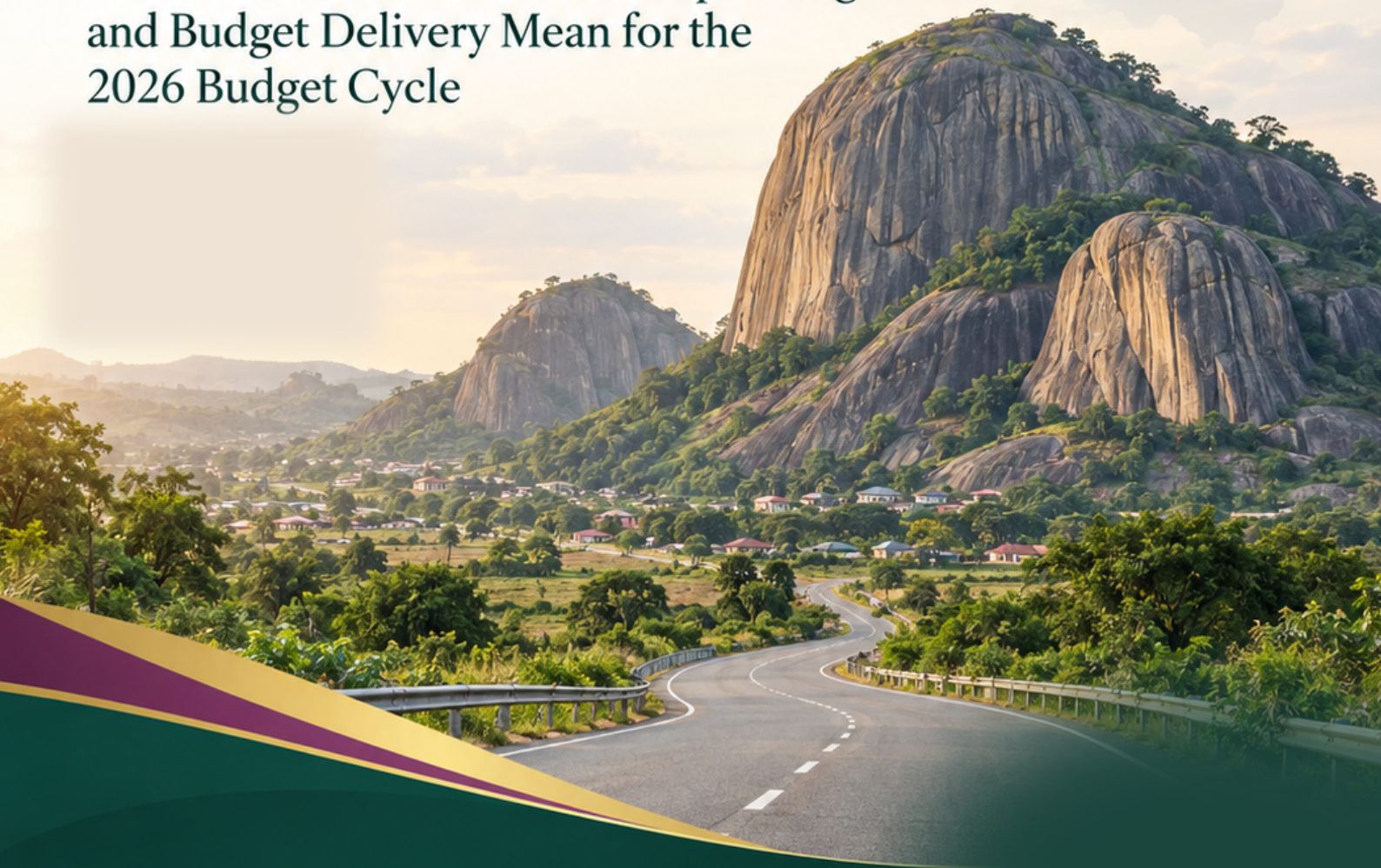


Nasarawa State Fiscal Outlook 2021–2025

What Five Years of Revenue, Spending
and Budget Delivery Mean for the
2026 Budget Cycle



Prepared by

Young Leaders Network (YLN)

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EXECUTIVE BRIEFING

What the Commissioner should know first

Nasarawa has become a much larger fiscal system. The next task is to make that system more predictable, better timed and more closely linked to delivery.

Nasarawa State enters the 2026 budget cycle with a fiscal system that is materially larger than it was five years ago. The final budget increased from ₦121.70 billion in 2021 to ₦476.47 billion in 2025, while actual expenditure rose from ₦71.97 billion to ₦296.25 billion. Capital expenditure increased, even faster, from ₦20.03 billion to ₦153.37 billion. These changes show that the State is now managing a much larger flow of public resources and a much larger capital programme.

The five-year record, however, does not show a steady improvement in budget execution. Expenditure execution rose to 76.7% in 2022, then fell to 63.4% in 2023 and 52.2% in 2024 before recovering to 62.2% in 2025. Revenue performance followed a similar pattern: it was strongest in 2022, weakened after the fiscal expansion of 2024 and fell to 62.4% of the final budget in 2025. The implication is that budget growth and implementation capacity have not always moved together.

For the new Commissioner, the central management question is therefore not whether the State should have a large budget. It is whether the approved budget is built on financing assumptions that can be realised, whether cash arrives early enough to support procurement and implementation, and whether spending can be connected to measurable service and infrastructure results. The 2026 budget should be managed around these tests throughout the year, not assessed only after the fiscal year has closed.

What five years of revenue, spending and budget delivery mean for the 2026 budget cycle

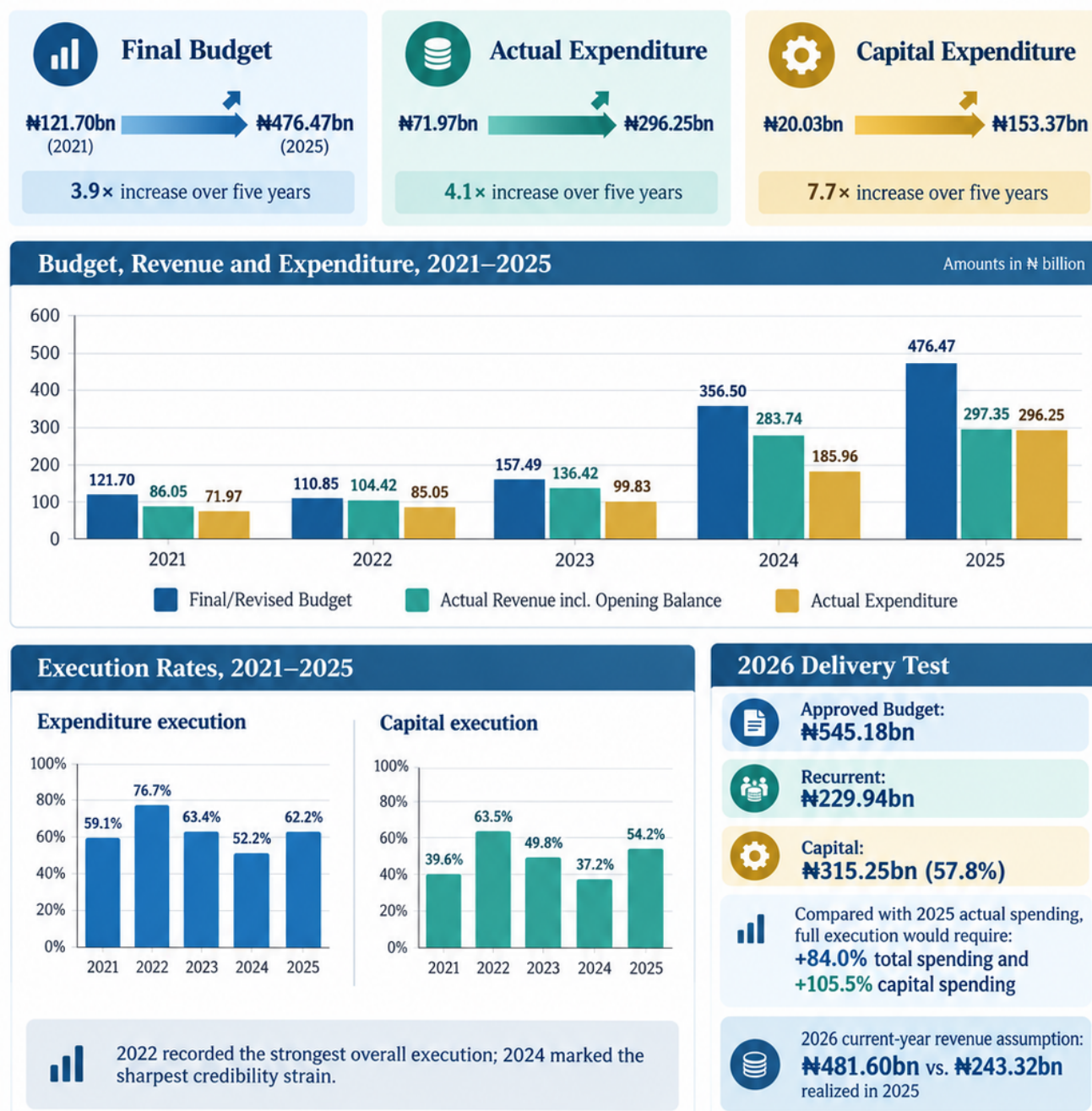


Figure 1 Executive Briefing Snapshot: Fiscal Scale, Execution and the 2026 Delivery Test

Some Key Fiscal Messages

- Fiscal scale expanded sharply after 2023.** The final budget rose by 42.1% in 2023, 126.4% in 2024 and a further 33.6% in 2025. Actual expenditure also accelerated, but not at the same rate in every year.
- 2022 remains the strongest aggregate credibility year in the series.** Revenue reached 94.2% of the revised plan, expenditure 76.7%, and capital execution 63.5%. It is a useful benchmark for the relationship between revenue realism and execution.
- 2024 was a structural break.** The budget was revised upward by 78.4%. Stronger collections justified an expanded envelope, but the State's own report notes that much of the cash arrived late, leaving limited implementation time.

4. **2025 delivered much more spending, but revenue credibility weakened.** Actual expenditure increased by 59.3% and capital spending doubled, yet revenue performance against the final plan fell to 62.4%. The opening balance became an important source of financing.
5. **IGR has grown, but targets are not yet consistently aligned with the collection base.** Actual IGR more than doubled between 2021 and 2025, but performance against annual targets ranged from 62.5% to 83.0% and closed 2025 at 63.9%.
6. **The spending mix shifted toward capital.** Capital accounted for 27.8% of actual expenditure in 2021 and 51.8% in 2025. This raises the importance of project preparation, procurement sequencing and physical verification.
7. **Q4 concentration remains a management issue.** In 2025, 36.4% of total expenditure and 45.3% of capital expenditure were recorded in Q4. The timing may reflect legitimate certification and financing patterns, but it increases year-end execution and oversight risk.

FORWARD LOOK

A Forward Look to 2026: A Larger Delivery Test

The 2026 approved budget is ₦545.18 billion. Recurrent expenditure is ₦229.94 billion and capital expenditure is ₦315.25 billion, giving capital a 57.8% share of the budget. On a budget-to-budget basis, the expansion appears moderate: the 2026 total is 14.4% above the 2025 final budget. The implementation test is much larger when the plan is compared with what the State actually delivered in 2025.

Actual expenditure in 2025 was ₦296.25 billion. Full execution of the 2026 budget would therefore require an 84.0% increase in cash spending within one year. The capital test is more demanding still: the ₦315.25 billion capital allocation is only 11.4% above the 2025 final capital budget, but it is 105.5% above the ₦153.37 billion actually spent on capital in 2025.

The financing assumptions also require a substantial step-up. The budget expects ₦265.32 billion from FAAC, ₦59.84 billion from IGR, ₦59.04 billion from aids and grants and ₦97.40 billion from CDF receipts. Together these sources amount to ₦481.60 billion in current-year revenue, almost twice the ₦243.32 billion realized in 2025. A further ₦63.58 billion is expected from the opening balance.



Figure 2. 2025 Actual Revenue and 2026 Budget Assumptions

ANALYSIS 1

Five-Year Fiscal Performance Analysis

The five-year fiscal record shows three distinct phases. The first phase, 2021–2022, was a relatively compact budget with stronger execution by the end of the period. The second phase, 2023, marked renewed expansion but with a weaker conversion of the budget into expenditure. The third phase, 2024–2025, changed the scale of Nasarawa’s public finances: the budget, revenue and spending all increased sharply, but the relationship between them became less stable.

Across the full period, the final budget increased from ₦121.70 billion to ₦476.47 billion. Actual expenditure rose from ₦71.97 billion to ₦296.25 billion. In nominal terms, the final budget was 3.9 times its 2021 size and actual expenditure was 4.1 times its 2021 level. Capital expenditure rose even faster—from ₦20.03 billion to ₦153.37 billion—while actual IGR more than doubled from ₦18.07 billion to ₦39.43 billion.

These figures show that Nasarawa is capable of operating at a much larger fiscal scale. They do not show a steady improvement in budget implementation. Expenditure execution moved from 59.1% in 2021 to 76.7% in 2022, fell to 63.4% in 2023 and 52.2% in 2024, and recovered to 62.2% in 2025. The management task is therefore to improve both actual delivery and the credibility of the plan against which delivery is measured.

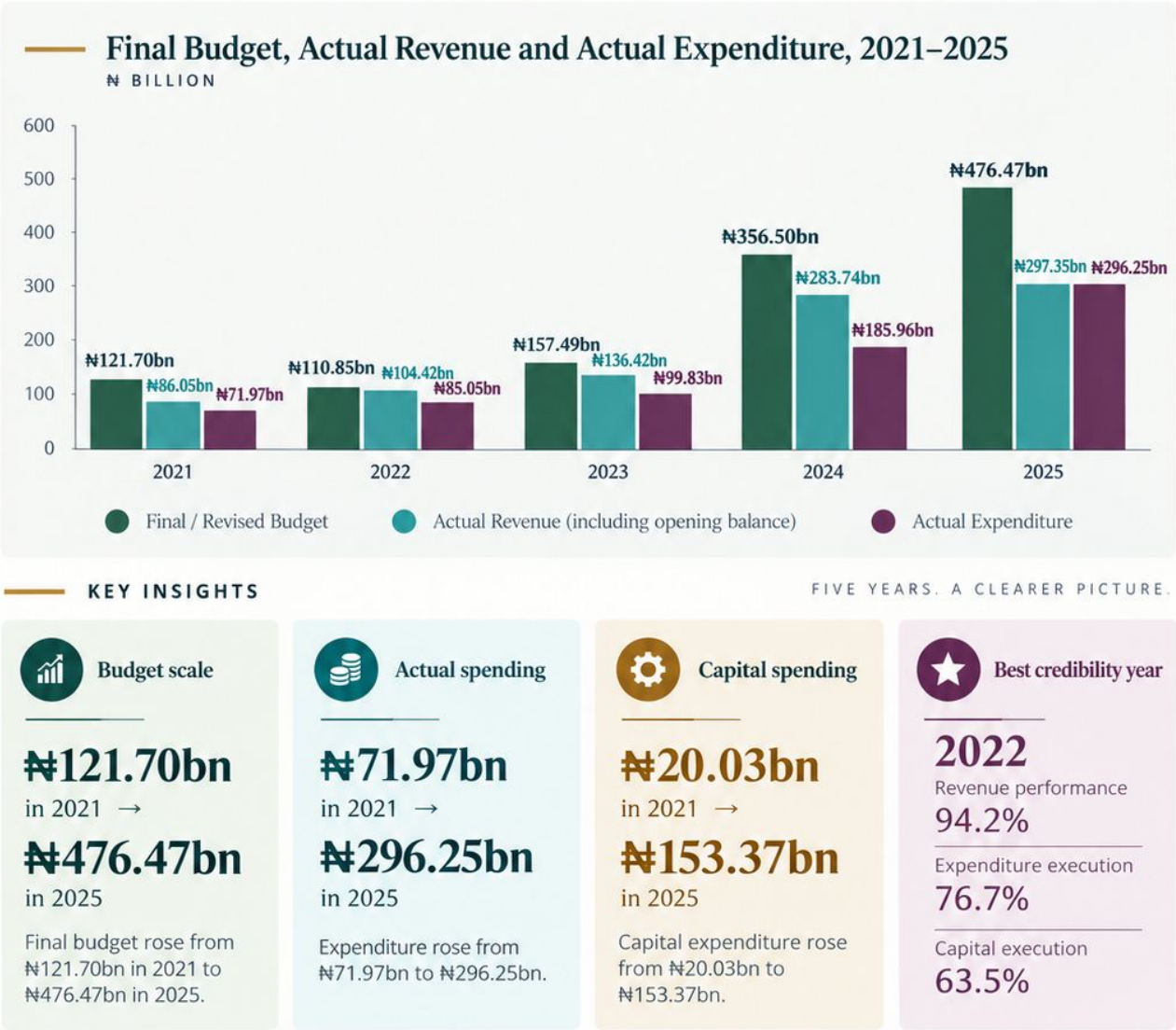


Figure 3 Final/Revised Budget, Actual Revenue and Actual Expenditure, 2021–2025

What changed each year

2021 — Revenue was constrained, and capital execution was weak.

The final budget was ₦121.70 billion. Total revenue including the opening balance reached ₦86.05 billion, or 70.7% of the final plan, while expenditure was ₦71.97 billion, equivalent to 59.1% execution. Capital spending was ₦20.03 billion against a ₦50.64 billion capital budget, giving a 39.6% execution rate. More than ₦30 billion of the approved capital programme therefore did not translate into expenditure during the year.

The revenue result was uneven across sources. FAAC performed relatively strongly at 93.7% of target, while IGR reached only 64.2%. Aids and grants achieved 53.6%, while no CDF receipt was recorded against the final estimate. The official report also notes that the State did not take new commercial borrowing during the period and that expected UBEC matching resources had not yet materialised despite the State's counterpart contribution. This matters because weak capital execution cannot be attributed to a single cause: the financing required for parts of the capital plan was itself incomplete.

2022 — The strongest aggregate budget performance in the five-year period.

The revised budget was ₦110.85 billion, slightly smaller than in 2021. Revenue including the opening balance reached ₦104.42 billion, or 94.2% of the revised plan, while actual expenditure increased to ₦85.05 billion. This produced the highest aggregate expenditure execution rate in the series: 76.7%. Capital execution also improved sharply to 63.5%.

The improvement in revenue was broad. FAAC reached 99.4% of its revised target and IGR improved to 83.0%. The 2022 report attributes part of the revenue improvement to SURE-P receipts of about ₦8.25 billion received in October and December, alongside IGR efforts and grants. Yet the same report states that some of the resources arrived late in the year and several road and infrastructure projects were carried forward. This is an important distinction: a strong annual revenue outturn does not necessarily mean that cash was available at the point when MDAs needed it.

2023 — Fiscal expansion resumed, but delivery grew more slowly.

The final budget increased to ₦157.49 billion, 42.1% above the 2022 level. Revenue including the opening balance rose to ₦136.42 billion, while expenditure increased to ₦99.83 billion. The State therefore spent more than in 2022, but the budget expanded faster than expenditure. As a result, total expenditure execution fell from 76.7% to 63.4%.

Capital expenditure increased from ₦19.86 billion in 2022 to ₦30.80 billion, but capital execution declined to 49.8% because the approved capital envelope grew faster. FAAC exceeded its final estimate at 110.9%, while IGR achieved 67.6% and grants/CDF receipts were much weaker. The official report notes that some MDAs remained below budget because releases were not made, that some expenditures were carried forward, and that the election year affected some running-cost activity. It also lists major ongoing projects—including the State Secretariat Complex, road projects, rural feeder roads, electricity interventions and health facilities—and states that significant capital funding was carried into 2024 for continuity.

2024 — A structural break in the size of the budget.

The original budget of ₦199.88 billion was increased to a final budget of ₦356.50 billion, an upward revision of 78.4%. This was not a marginal adjustment. It fundamentally changed the scale of the annual fiscal programme. Revenue including the opening balance reached ₦283.74 billion, while actual expenditure nearly doubled to ₦185.96 billion.

Despite the sharp increase in actual spending, expenditure execution fell to 52.2% because the final appropriation expanded even faster. Capital expenditure rose to ₦76.68 billion but represented only 37.2% of the ₦206.26 billion final capital budget. The official report explains that the supplementary budget responded to stronger-than-expected collections in VAT, exchange gains, solid-mineral distributions, EMTL, selected charges and capital receipts, including programmes such as NG-CARES and ACRReSAL. It also states that much of the funding arrived in Q4, leaving insufficient time for MDAs to complete the enlarged capital programme.

2025 — Actual delivery accelerated, but the financing gap against the budget remained wide.

The final budget increased again to ₦476.47 billion. The amendment was undertaken in Q4 and, according to the official report, moved provisions from non-performing areas and MDAs to areas where resources were needed. Actual expenditure increased by 59.3% to ₦296.25 billion, the strongest nominal spending growth in the five-year series. Capital spending doubled to ₦153.37 billion and capital execution recovered to 54.2%.

The revenue side moved differently. Total revenue including the opening balance reached ₦297.35 billion, only 4.8% above 2024. Current-year revenue excluding the opening balance actually declined from ₦264.57 billion in 2024 to ₦243.32 billion in 2025. The ₦54.03 billion opening balance therefore became an important source of cash support. FAAC produced ₦149.15 billion but achieved only 59.9% of its final estimate; IGR realised ₦39.43 billion, or 63.9% of target; grants achieved 36.8%; and CDF receipts 43.0%.

The 2025 report notes that aid and grant inflows were affected by delayed development-partner disbursements and conditional drawdowns. It also identifies procurement timelines, inflationary pressures and counterpart-funding constraints as factors behind unutilised capital balances. These points matter because they show that a stronger expenditure outturn can coexist with a weaker financing performance against the budget.

The Five-Year Management Signal

Taken together, the five years show that Nasarawa State has moved from a relatively small budget system to one capable of handling much larger flows. But three recurring issues remain. First, budget growth has sometimes been faster than implementation growth. Second, annual revenue performance can hide timing problems: both the 2022 and 2024 reports describe resources arriving late enough to affect capital implementation. Third, opening balances and conditional financing have become increasingly important to the annual programme and should not be treated as equivalent to stable recurring revenue.

The practical objective is not to pursue a smaller budget simply to improve the execution percentage. Nor should success be judged only by increases in actual spending. The more useful standard is the relationship between what is appropriated, what is credibly financed, what is released and committed, and what is physically delivered.

Table 1 Five-Year Fiscal Performance Summary, 2021–2025

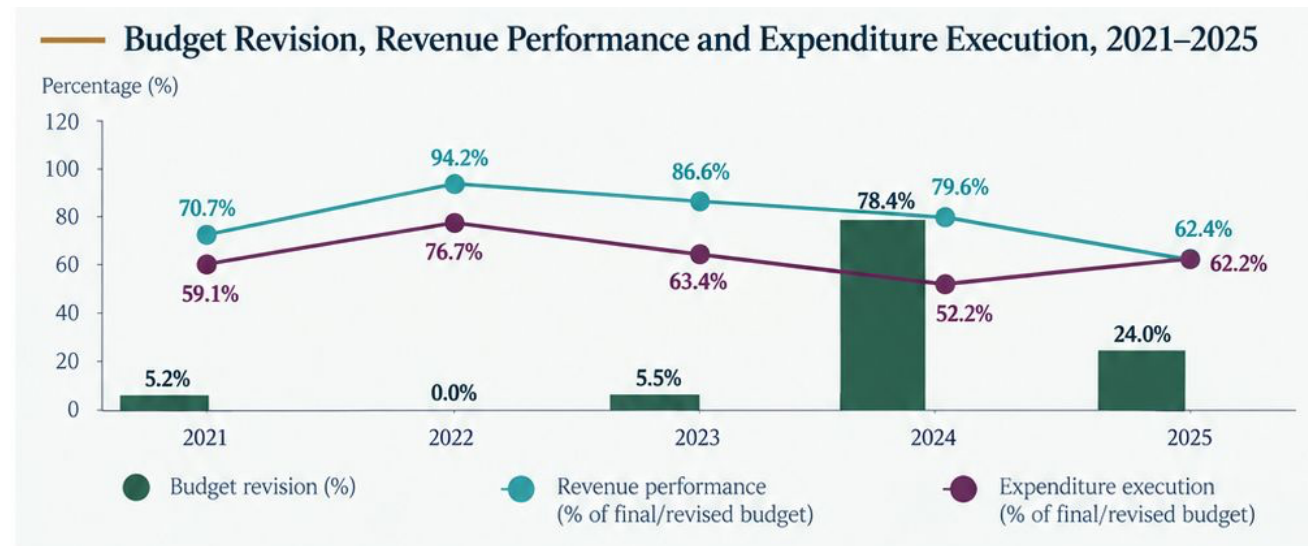
Year	Final/revised budget	Actual revenue incl. OB	Actual expenditure	Expenditure execution	Capital execution
2021	₦121.70bn	₦86.05bn	₦71.97bn	59.1%	39.6%
2022	₦110.85bn	₦104.42bn	₦85.05bn	76.7%	63.5%
2023	₦157.49bn	₦136.42bn	₦99.83bn	63.4%	49.8%
2024	₦356.50bn	₦283.74bn	₦185.96bn	52.2%	37.2%
2025	₦476.47bn	₦297.35bn	₦296.25bn	62.2%	54.2%

ANALYSIS 2

Budget Credibility Analysis

Budget credibility is not the same as low or high spending. It is the degree to which the approved plan provides a reliable guide to financing and implementation.

A credible budget should be close enough to likely revenue and implementation capacity that MDAs can plan, contractors can rely on release schedules, the Treasury can manage commitments, and legislators can assess performance against a meaningful baseline. Supplementary budgets are not a problem in themselves; they are necessary when circumstances change. The issue is whether major revisions are supported by credible cash, project readiness and enough time to implement the additional programme.



Key credibility indicators

Indicator	2021	2022	2023	2024	2025
 Unexecuted appropriation (Final/revised budget minus actual expenditure)	₦49.73bn	₦25.80bn	₦57.66bn	₦170.54bn	₦180.22bn
 Reported closing balances	₦14.08bn	₦19.37bn	₦36.59bn	₦97.78bn	₦1.10bn

Key insights

FIVE YEARS. A CLEARER PICTURE.



**Best credibility year:
2022**

Revenue performance

94.2%

Expenditure execution

76.7%



**Largest in-year
expansion: 2024**

Budget revision

78.4%



**Largest gap on paper
vs spending: 2025**

Unexecuted appropriation

₦180.22bn

Figure 4 Original and Final/Revised Budgets, 2021–2025

Nasarawa's five-year record is mixed. 2022 provides the strongest aggregate credibility result: there was no upward revision of the total budget, revenue reached 94.2% of the plan and expenditure reached 76.7%. By contrast, 2024 combined a very large in-year expansion with a much lower execution rate. In 2025, execution improved, but a large part of the amended revenue plan remained unrealised.

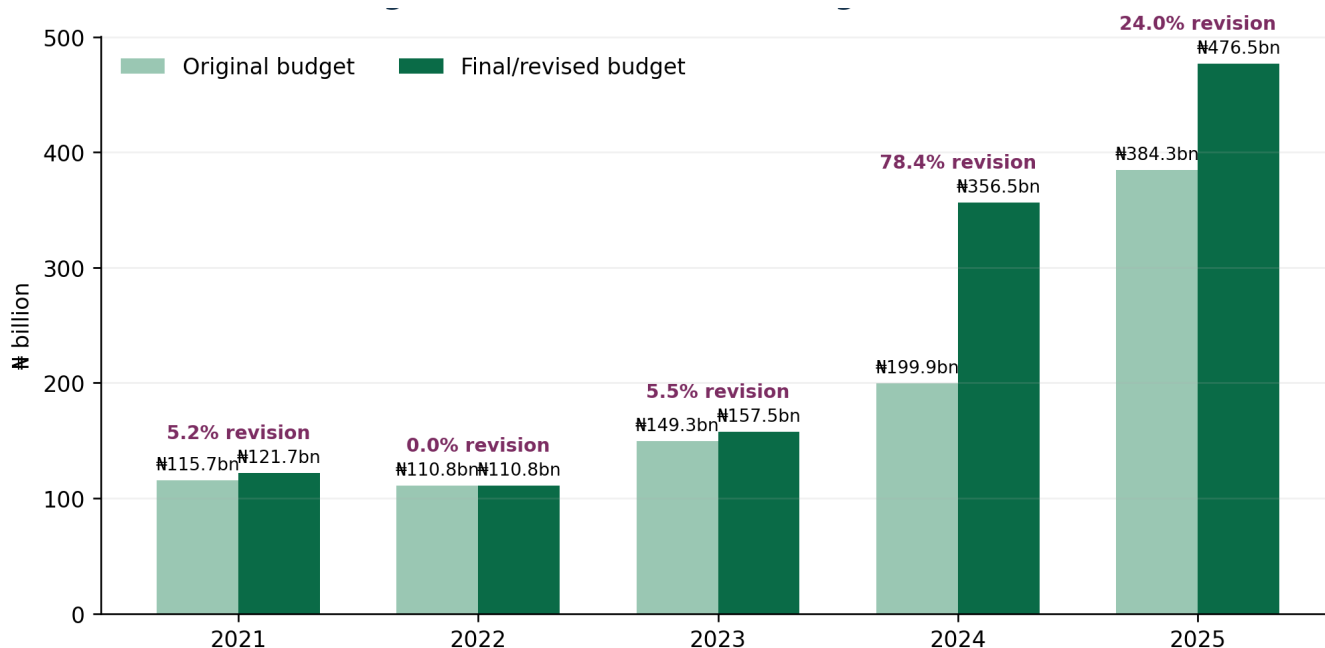


Figure 5. Original and Final/Revised Budgets, 2021–2025

The credibility gap widened as the budget expanded

In 2021, the budget was revised upward by 5.2%, while total expenditure execution was 59.1%. In 2022, with no aggregate revision, execution increased to 76.7%. The 2023 revision was modest at 5.5%, but execution still fell to 63.4%. The most significant break came in 2024: the final budget was 78.4% above the original budget, while only 52.2% of the final appropriation was spent. In 2025, the revision was smaller at 24.0% and execution recovered to 62.2%, but ₦180.22 billion of the final appropriation remained unexecuted.

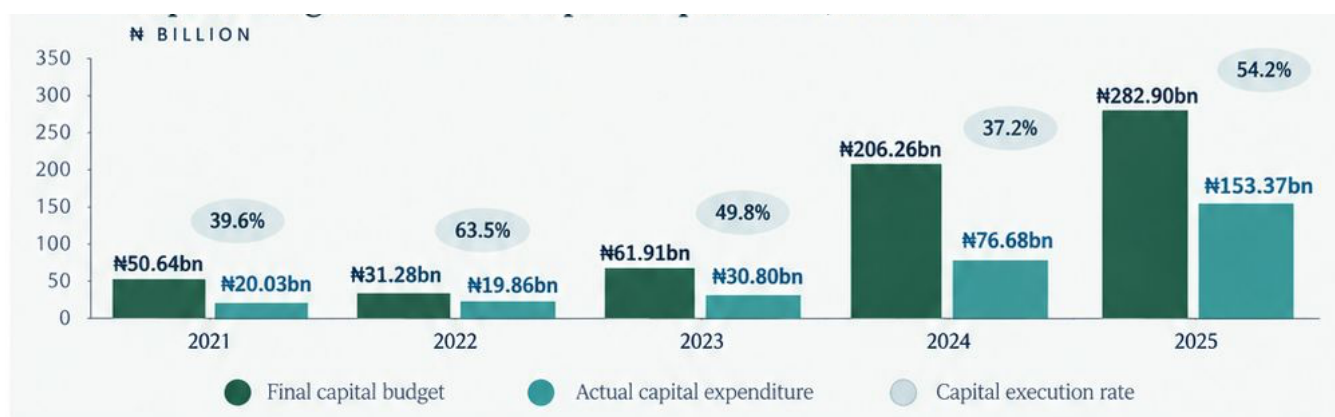


Figure 6: Capital Budget and Actual Capital Expenditure, 2021-2025

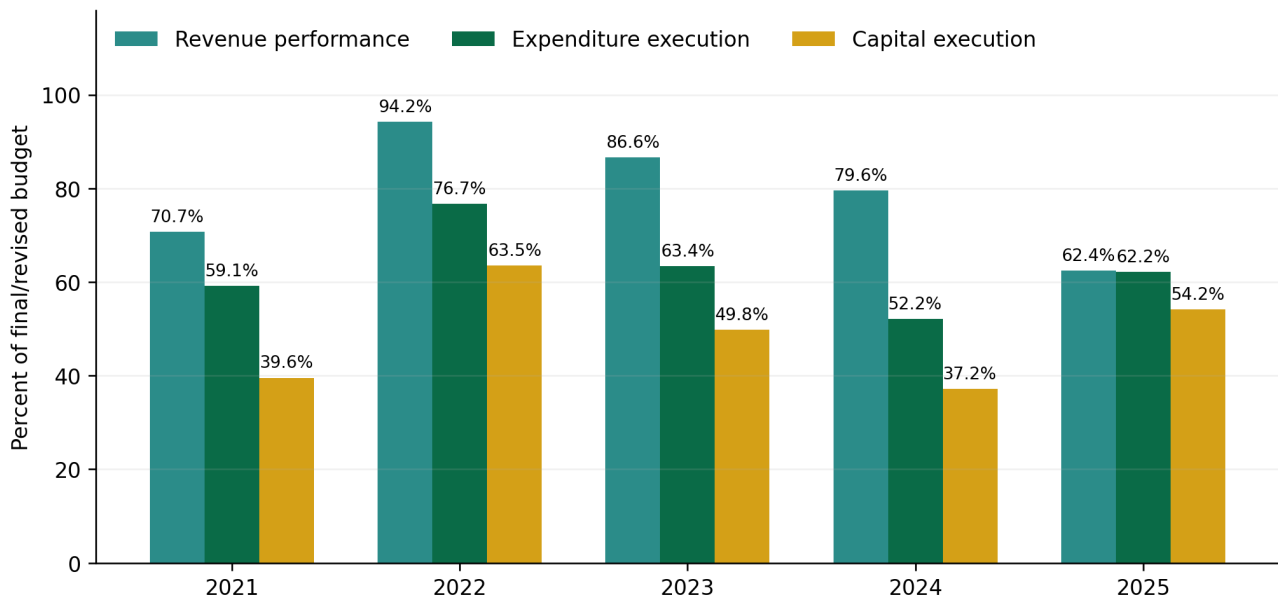


Figure 7. Revenue, Total Expenditure and Capital Execution Rates, 2021–2025

The pattern is not an argument against revisions. The 2024 report specifically states that the expanded budget responded to over-collections in several revenue lines. The more important issue is the point in the year at which the revision is made and whether the additional appropriation corresponds to cash that can be spent before year-end. A late supplementary budget can be fiscally justified and still create a lower execution ratio simply because implementation time has become too short.



ANALYSIS 3

Revenue & Fiscal Sustainability Analysis

Revenue increased materially over the period, but the reliability of different sources is not the same.

Nasarawa's current-year revenue excluding opening balances increased from ₦81.81 billion in 2021 to ₦264.57 billion in 2024 before falling to ₦243.32 billion in 2025. The largest long-run driver was FAAC, while IGR improved steadily in cash terms. Grants and CDF receipts were more volatile. The structure matters because permanent obligations should be anchored on recurring and relatively predictable revenue, while conditional and one-off receipts should be tied to the activities they can actually finance.

Opening balances should be treated separately from current-year revenue. They can be an important source of cash, particularly where the preceding year closed with unspent or late-arriving resources, but they are not a recurring annual revenue stream. In 2025, the opening balance of ₦54.03 billion materially supported the year's expenditure position at a time when current-year revenue declined from the 2024 level.

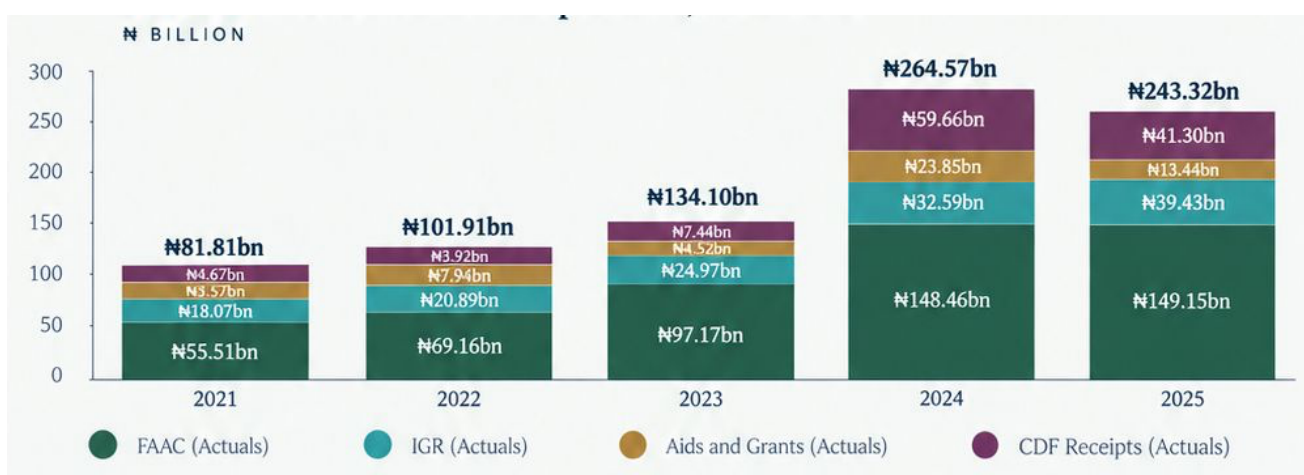


Figure 8. Current-Year Revenue Composition, 2021–2025

FAAC strengthened through 2024, then flattened in 2025

Actual FAAC receipts rose from ₦55.51 billion in 2021 to ₦69.16 billion in 2022, ₦97.17 billion in 2023 and ₦148.46 billion in 2024. In 2025, FAAC was broadly unchanged at ₦149.15 billion. The weaker 2025 performance ratio therefore did not reflect a collapse in nominal FAAC receipts. It reflected the scale of the final target, which had risen to ₦249.14 billion.

The 2024 experience also shows why FAAC forecasts should be disaggregated. The report identifies strong receipts from VAT, exchange gains, solid-mineral distributions, EMTL and other federation-linked flows. These can increase the annual resource envelope substantially, but some are more volatile than the regular statutory allocation. Forecasting should therefore distinguish the stable base from components that depend on macroeconomic, exchange-rate or one-off distribution effects.

IGR grew every year, but the target path remained demanding

Actual IGR rose from ₦18.07 billion in 2021 to ₦20.89 billion in 2022, ₦24.97 billion in 2023, ₦32.59 billion in 2024 and ₦39.43 billion in 2025. This is a clear improvement in own-source collection. The annual target, however, increased from ₦28.14 billion to ₦61.72 billion over the same period.

Performance against target therefore moved from 64.2% in 2021 to 83.0% in 2022, 67.6% in 2023, 62.5% in 2024 and 63.9% in 2025.

The management issue is not whether the State should pursue higher IGR. It should. The issue is whether the target can be explained source by source. A credible target should identify the existing collection base, the effect of rate or policy changes, expected compliance improvements, new taxpayer or fee bases, and the monthly seasonality of each major revenue source.

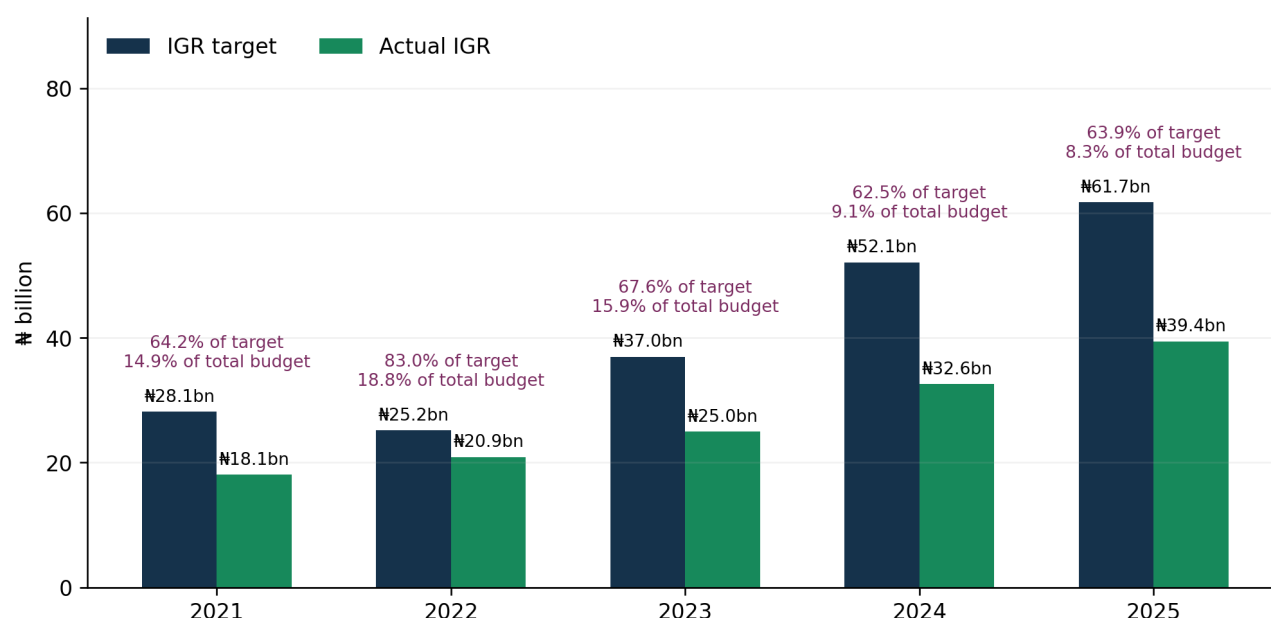


Figure 9. Internally Generated Revenue: Targets and Actual Collections, 2021–2025

Grants and CDF receipts are the more volatile financing block

Aids, grants and CDF receipts together were ₦8.23 billion in 2021, ₦11.86 billion in 2022, ₦11.96 billion in 2023, ₦83.51 billion in 2024 and ₦54.74 billion in 2025. The 2024 increase was substantial, but it should not be treated as a stable recurrent base. In 2025, aids and grants realised ₦13.44 billion against a final target of ₦36.53 billion, while CDF receipts realised ₦41.30 billion against ₦96.08 billion.

The official 2025 report attributes weak grant performance mainly to delayed disbursements and conditional drawdowns by development partners. This is precisely why these receipts should be managed differently from FAAC and IGR. A project can be appropriated on the basis of expected grant or CDF financing, but firm commitment authority should be linked to the financing agreement, counterpart requirement, drawdown condition and expected cash date.

Table 2 Actual Revenue by Source, 2021–2025

Year	Opening balance	FAAC	IGR	Aids & grants	CDF receipts	Total actual revenue
2021	₦4.24bn	₦55.51bn	₦18.07bn	₦8.23bn	₦0.00bn	₦86.05bn
2022	₦2.51bn	₦69.16bn	₦20.89bn	₦10.96bn	₦0.90bn	₦104.42bn
2023	₦2.32bn	₦97.17bn	₦24.97bn	₦5.79bn	₦6.17bn	₦136.42bn
2024	₦19.17bn	₦148.46bn	₦32.59bn	₦17.21bn	₦66.30bn	₦283.74bn
2025	₦54.03bn	₦149.15bn	₦39.43bn	₦13.44bn	₦41.30bn	₦297.35bn

REVENUE MANAGEMENT IMPLICATION: Use a tiered financing envelope. Tier 1 should contain commitments supported by conservative FAAC and IGR forecasts. Tier 2 should contain projects backed by signed or high-confidence grants and counterpart arrangements. Tier 3 should contain activities dependent on uncertain CDF or conditional receipts and should not create irreversible obligations until the financing event has occurred.

2026 Financing Test

The approved budget needs monthly revenue validation and commitment discipline.

The 2026 budget should be assessed against the 2025 actual base, not only against the 2025 final appropriation. On a budget-to-budget basis, the total increases by 14.4%. On an outturn-to-budget basis, full execution would require actual expenditure to rise from ₦296.25 billion to ₦545.18 billion, an 84.0% increase in cash spending. The capital programme alone would require a 105.5% increase over the 2025 capital outturn.

The financing assumptions are equally demanding. Current-year revenue is budgeted at ₦481.60 billion compared with ₦243.32 billion realised in 2025. FAAC would need to reach ₦265.32 billion, IGR ₦59.84 billion, aids and grants ₦59.04 billion and CDF receipts ₦97.40 billion. These assumptions are not impossible, but they should be tested every month against actual collections and the pipeline of conditional financing.



Figure 10 2025 Actual Revenue and 2026 Budget Assumptions

Table 3 2025 Actual Revenue and 2026 Budget Revenue Assumptions

Revenue line	2025 actual	2026 budget	Multiple	Increase required
FAAC	₦149.15bn	₦265.32bn	1.78×	77.9%
IGR	₦39.43bn	₦59.84bn	1.52×	51.8%
Aids & grants	₦13.44bn	₦59.04bn	4.39×	339.3%
CDF receipts	₦41.30bn	₦97.39bn	2.36×	135.8%
Current-year revenue	₦243.32bn	₦481.60bn	1.98×	97.9%

Management tests for the 2026 financing plan

- **FAAC:** The ₦265.32 billion assumption should be profiled by major federation-account component. Variances in VAT, statutory allocation, exchange-related distributions and other transfers should be visible separately so temporary windfalls are not mistaken for a permanent baseline.
- **IGR:** The ₦59.84 billion target should be broken into tax, non-tax and MDA components, with each large source assigned a monthly collection path, reform action and accountable institution. The plan should explain how the additional ₦20.41 billion above the 2025 outturn will be generated.
- **Aids and grants:** The ₦59.04 billion estimate should distinguish signed agreements, approved disbursements, counterpart-funded programmes and pipeline expectations. Only the first categories should support firm cash commitments.
- **CDF receipts:** The ₦97.40 billion estimate should be mapped to identifiable financing sources and drawdown conditions. Capital awards should not assume the full amount is immediately available.
- **Opening balance:** The ₦63.58 billion opening balance should be reconciled to bank balances, earmarked funds, unpaid commitments and carryover projects. Only the genuinely uncommitted portion should be treated as fiscal space.



ANALYSIS 4

Quality of Spending Analysis

The composition of actual expenditure changed materially. The next question is whether that change is producing completed assets and better services.

Spending quality cannot be judged from the capital–recurrent split alone. Capital expenditure can finance high-value infrastructure, but it can also finance poorly prepared projects; recurrent expenditure can include routine administration, but also essential salaries, medicines, teaching inputs and maintenance. The five-year composition nevertheless provides a useful first diagnostic because it shows where the expansion in actual spending occurred.

Personnel expenditure rose from ₦29.86 billion in 2021 to ₦70.55 billion in 2025. Overheads increased from ₦18.17 billion to ₦65.13 billion. Other recurrent expenditure remained comparatively small. The largest structural change was capital expenditure, which rose from ₦20.03 billion to ₦153.37 billion and became the largest single spending block in 2025.

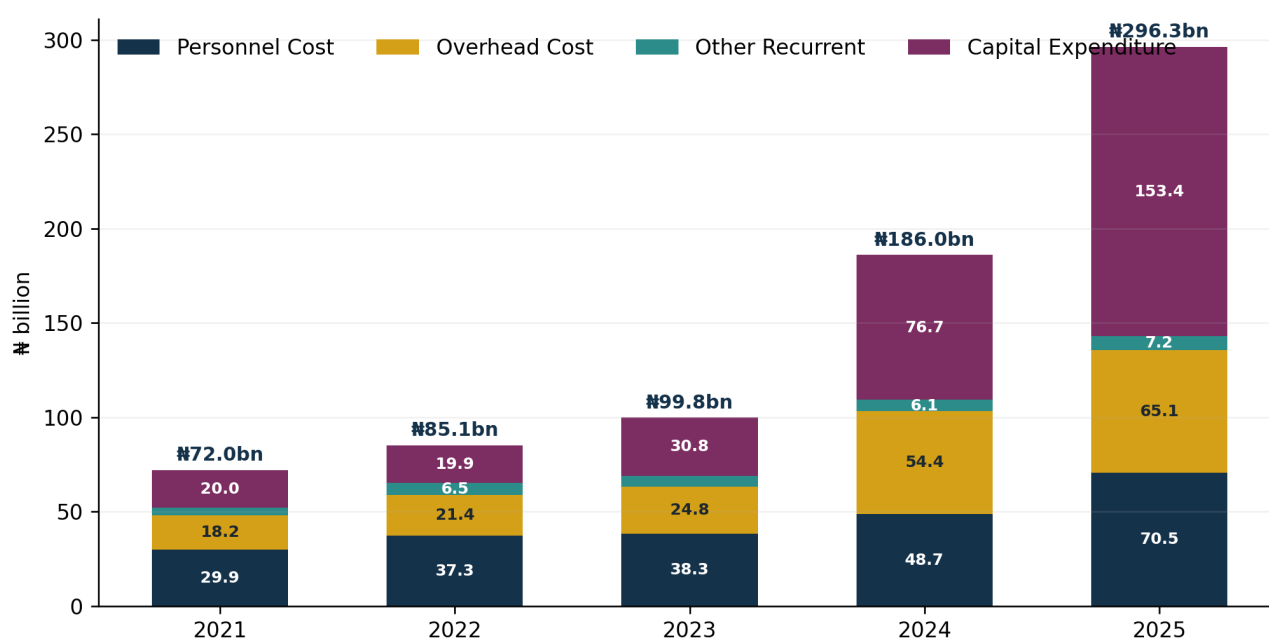


Figure 11. Composition of Actual Expenditure, 2021–2025

The shift toward capital is substantial

Capital's share of actual expenditure fell slightly from 27.8% in 2021 to 23.4% in 2022, then increased to 30.9% in 2023, 41.2% in 2024 and 51.8% in 2025. This is not simply a change in the size of the budget. It is a change in the composition of cash expenditure, with a larger share directed toward assets and investment.

The execution rate provides the second test. Capital execution was 39.6% in 2021, rose to 63.5% in 2022, fell to 49.8% in 2023 and 37.2% in 2024, and recovered to 54.2% in 2025. In other words, 2025 recorded by far the highest capital outturn in cash terms, but almost half of the final capital budget remained unspent.

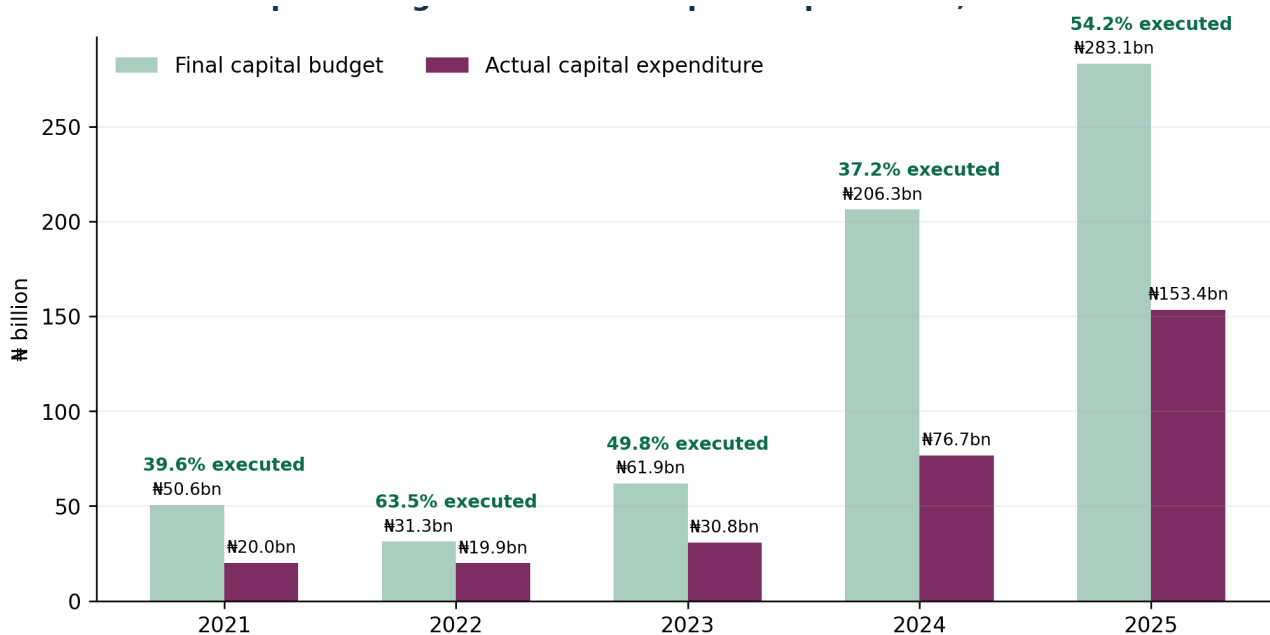


Figure 12. Capital Budget and Actual Capital Expenditure, 2021–2025

Financial execution is not the same as physical completion

The growing capital share makes project-level information more important. A capital payment may reflect mobilisation, an interim certificate, equipment procurement, land acquisition or final completion. Aggregate expenditure therefore cannot establish whether an asset is complete, whether it is functional, whether it was delivered to specification or whether government has provided for the recurrent cost of operating it.

For the largest capital programmes, the Ministry should track the chain from appropriation to release, commitment, payment and physical progress. This would allow management to distinguish financing constraints from procurement delays, contractor performance problems, site readiness issues and certification/payment lags. It would also make the annual capital execution rate more useful by connecting the financial number to actual delivery.

Table 4 Composition of Actual Expenditure, 2021–2025

Year	Personnel	Overheads	Other recurrent	Capital	Capital share
2021	₦29.86bn	₦18.17bn	₦3.91bn	₦20.03bn	27.8%
2022	₦37.34bn	₦21.38bn	₦6.47bn	₦19.86bn	23.4%
2023	₦38.33bn	₦24.81bn	₦5.88bn	₦30.80bn	30.9%
2024	₦48.70bn	₦54.43bn	₦6.15bn	₦76.68bn	41.2%
2025	₦70.55bn	₦65.13bn	₦7.21bn	₦153.37bn	51.8%

ANALYSIS 5

Sector Performance Analysis

Aggregate expenditure masks very different delivery conditions across functions.

Sector allocations expanded across most functions, but execution did not move in a common direction. Some sectors increased both spending and execution; others received much larger envelopes without a corresponding improvement in the percentage delivered. The correct diagnostic is therefore not to rank sectors by one execution rate. Each sector should be read using the approved envelope, actual spending, the change over time and the outputs produced.

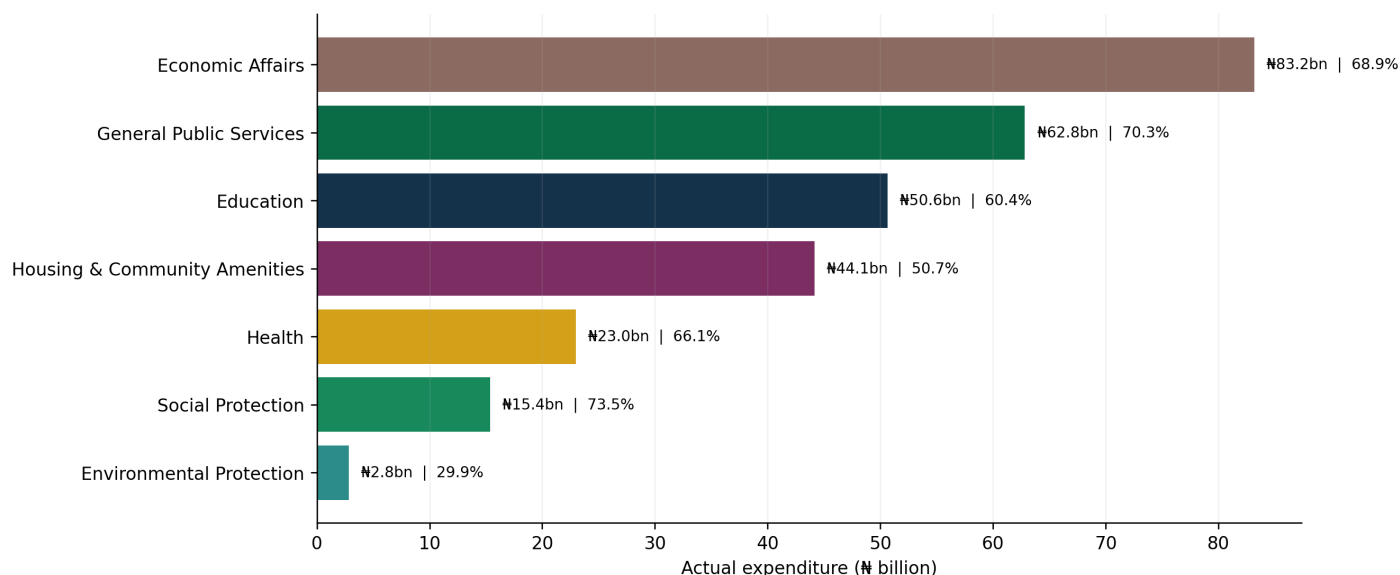


Figure 13. Selected Functional Expenditure and Execution Rates, 2025

Economic Affairs was the largest selected functional spending block in 2025 at ₦83.18 billion, followed by General Public Services at ₦62.82 billion and Education at ₦50.63 billion. Housing and Community Amenities also increased sharply to ₦44.14 billion. The execution rates, however, show that nominal spending alone does not capture the implementation picture.

EXECUTION RATE (%)					
	2021	2022	2023	2024	2025
Economic Affairs	37.8	38.7	54.1	46.8	68.9
Education	58.3	77.8	68.1	64.0	60.4
Health	69.2	89.7	64.2	55.1	66.1
Housing & Community Amenities	11.8	54.6	21.0	21.3	50.7
Social Protection	29.5	90.4	69.1	66.2	66.8
Environmental Protection	12.0	40.1	66.5	24.8	29.9

Lower execution Higher execution

Figure 14. Execution Rates for Selected Functions, 2021–2025

Sector-by-sector diagnostic

Economic Affairs

Actual expenditure increased from ₦12.31 billion in 2021 to ₦83.18 billion in 2025. Execution improved from 37.8% to 68.9%, although the path was uneven. The function now carries a large share of the State's development spending. Because Economic Affairs contains roads, agriculture, energy, commerce and other programmes, the aggregate result should be decomposed before management decisions are taken. The 2026 budget should therefore require programme-level milestones for the largest sub-functions rather than a single sector execution percentage.

Education

Actual spending was broadly stable around the mid-₦20 billion range between 2021 and 2023, rose to ₦30.68 billion in 2024 and then to ₦50.63 billion in 2025. Execution, however, eased after the 2022 high: 77.8% in 2022, 68.1% in 2023, 64.0% in 2024 and 60.4% in 2025. The budget therefore expanded faster than the rate at which expenditure was converted into payments. The dedicated Basic Education reporting in the 2025 BIR is a useful starting point because it links financial execution to specific types of infrastructure and learning inputs. That approach should be extended across the sector.

Health

Health spending increased steadily from ₦7.00 billion in 2021 to ₦22.98 billion in 2025. Execution was strongest in 2022 at 89.7%, then fell to 64.2% in 2023 and 55.1% in 2024 before recovering to 66.1% in 2025. The pattern suggests that the sector is capable of higher execution but has not sustained it as the budget expanded. The 2025 Primary Healthcare section is especially useful because it reveals different performance across equipment, infrastructure and service-related lines. A single health execution percentage therefore conceals several implementation conditions.

Housing & Community Amenities

This function provides one of the clearest examples of why nominal spending and execution must be read together. Actual spending increased from ₦0.24 billion in 2021 to ₦44.14 billion in 2025. Yet execution fell to about 21% in both 2023 and 2024 before recovering to 50.7% in 2025. The rapid expansion in housing, community-development and water-related programmes created a much larger implementation burden. A project-level review should identify which balances reflect financing constraints, procurement delays, land or site readiness, contractor performance or carryover commitments.

Social Protection

Actual expenditure increased from ₦0.09 billion in 2021 to ₦15.37 billion in 2025, while execution moved from 29.5% to 90.4% in 2022 and remained above 66% from 2023 onward. The function contains obligations with different characteristics, including pensions and other social commitments. The budget should distinguish statutory or entitlement-type obligations from discretionary programmes so that high execution is not automatically interpreted as uniform programme performance.

Environmental Protection

Execution was 12.0% in 2021, improved to 66.5% in 2023, then fell to 24.8% in 2024 and 29.9% in 2025. The volatility and relatively low level of actual spending suggest that environmental programmes should be reviewed as a portfolio of specific services and projects rather than expanded on the assumption that a larger envelope will automatically improve delivery.

From financial execution to service delivery

The 2025 Budget Implementation Report already contains a useful reporting model in Basic Education and Primary Healthcare. In Basic Education, the report records ₦7.28 billion in actual expenditure and 65.0% execution, with capital expenditure accounting for most of the outturn. It also shows very different performance across facilities, rehabilitation, ICT, library and learning-material lines. In Primary Healthcare, the report records ₦3.17 billion in actual expenditure and 58.9% execution, again with substantial differences between procurement and infrastructure lines.

The value of this approach is that it begins to answer a more useful question than “how much was spent?” It allows management to identify which types of outputs are moving and which are not. The State should extend this reporting model to roads, water, agriculture, housing and other major infrastructure programmes, pairing expenditure with a small set of physical milestones and service indicators.

SECTOR MANAGEMENT REFORM Introduce quarterly delivery compacts for Economic Affairs, Education, Health, Housing/Water, Agriculture and Environment. Each compact should link a small set of outputs to the budget lines that finance them and show quarterly financial milestones, physical milestones, procurement status and unresolved bottlenecks.



ANALYSIS 6

Q4 Spending Concentration Analysis

The timing of expenditure matters because year-end compression can increase implementation and control risks.

A large fourth-quarter share is not automatically a sign of weak control. Capital projects are often paid after certificates or milestones, and grants or federation-account transfers may arrive unevenly. The management concern arises when a large share of annual procurement, verification, certification and payment is compressed into the final weeks of the year, leaving limited time to resolve implementation problems or re-phase activities.



Figure 15. Fourth-Quarter Share of Annual Total and Capital Expenditure, 2021–2025

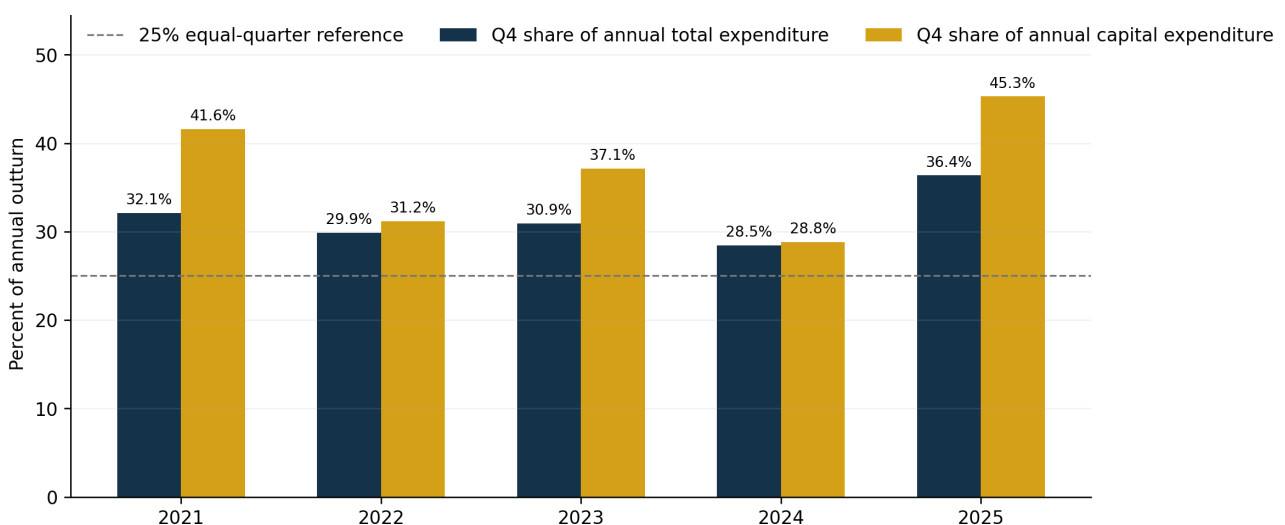


Table 5 Fourth-Quarter Expenditure Profile, 2021–2025

The pattern is persistent, but 2025 is the main warning year

Q4 accounted for 32.1% of annual expenditure in 2021, 29.9% in 2022, 30.9% in 2023 and 28.5% in 2024. These figures are above a neutral 25% equal-quarter reference, but the variation is not extreme. In 2025, the Q4 share rose to 36.4%. The concentration was more pronounced for capital expenditure: 45.3% of the year's capital spending—~~₦~~69.47 billion—was recorded in the final quarter.

The annual reports provide context for this pattern. The 2022 report states that a large share of funds arrived in the final phase of the year, contributing to capital carryovers. The 2024 report makes the same point explicitly: strong inflows arrived late, leaving insufficient time for MDAs to execute many capital activities. The 2025 report records a major Q4 acceleration and also identifies procurement timelines, inflationary pressures and counterpart-funding constraints as factors behind unutilised balances.

The management objective should therefore be to reduce avoidable year-end compression without imposing an artificial quarterly spending quota. The useful question is whether high-value projects are reaching design, procurement, mobilisation, certification and payment milestones early enough in the year. The 2026 capital programme should be managed against those milestones.

SUGGESTED CONTROL By the end of Q1, publish procurement status for all high-value capital projects. By the end of Q2, flag projects that have not reached award or mobilisation. At Q3, require a recovery or re-phasing decision for projects that remain substantially behind schedule instead of pushing activity into Q4 simply to increase the execution rate.



IMPLEMENTATION

What This Means for the 2026 Budget and the Next Budget Cycle

The 2026 approved budget is large relative to the 2025 actual base, and the financing plan requires significant growth across all major revenue sources. Delivery therefore depends on the State treating revenue forecasting, cash management, procurement and project monitoring as one connected process. The appropriation remains the legal authority, but commitment and cash ceilings should be adjusted through the year as financing becomes clearer.

Five tests should govern major 2026 commitments

Test	Question to answer
Funding certainty	Is the activity backed by cash already received, a high-confidence recurrent revenue stream, or a signed financing/grant agreement with known drawdown conditions?
Procurement readiness	Are designs, bills of quantities, procurement documents, approvals and site conditions sufficiently advanced for meaningful implementation within the fiscal year?
Cash-flow fit	Can the Treasury fund the expected payment profile without displacing salaries, pensions, debt obligations or higher-priority projects?
Implementation capacity	Does the responsible MDA have a named delivery team, supervision arrangement, procurement timeline and escalation path for bottlenecks?
Public value	Is the expenditure linked to a measurable service, infrastructure or economic result that can be reported to citizens and the House of Assembly?

Implications for 2027 budget preparation

The 2027 budget process should begin with the 2021–2025 evidence, not with a simple percentage increase over 2026. Revenue ceilings should distinguish recurring sources from conditional financing. Capital ceilings should reflect project readiness and the realistic implementation window. Persistent carryovers should be reviewed before new projects are added, and sector ceilings should incorporate both historical execution and the service results expected from additional resources.



INSTITUTIONAL ACTIONS

Who Needs to Do What

Budget credibility is a system responsibility. The Ministry of Budget and Economic Planning can set the rules and coordinate the review process, but revenue forecasting, cash management, procurement and sector delivery depend on several institutions. The actions below are tied to bottlenecks visible in the five-year record.

Institution	Priority action
Ministry of Budget & Economic Planning	Own a monthly fiscal-delivery review linking revenue, cash releases, procurement, expenditure and physical delivery. Apply financing and readiness gates before recommending major supplementary appropriations.
Ministry of Finance / Treasury	Publish and update the cash plan; reconcile opening balances, earmarks, commitments and debt-service obligations before quarterly cash ceilings are set.
Nasarawa State Internal Revenue Service and collecting MDAs	Translate the IGR target into monthly tax and non-tax forecasts; report collection efficiency, arrears and major variances; revise the forecast when the annual path becomes unrealistic.
State House of Assembly	Require a credibility note for major supplementary budgets and virements; use Q3 oversight to focus on low-execution sectors, large unspent balances and projects at risk of a Q4 rush.
Spending MDAs / Procurement authorities	Complete procurement planning early; maintain project-readiness files; report release, commitment, payment and physical progress separately for major projects.
Development partners	Prioritise support for revenue forecasting, public investment management, procurement planning, grant readiness, cash/commitment control and machine-readable reporting through State systems.

Standing management triggers

- If total current-year revenue is below 85% of the profiled target at the end of Q2, activate the downside cash plan and pause new commitments against uncertain grants or CDF receipts.
- If a major capital project has not reached procurement award or mobilisation by the end of Q2, require a recovery plan or re-phase the project.
- If a sector is below 50% financial execution by the end of Q3, require an implementation diagnosis before additional funds are added through a supplementary budget.
- If more than 35% of projected annual capital spending remains for Q4, conduct a pre-Q4 procurement, verification and cash-risk review.
- If IGR collections fall more than 10% below the profiled path for two consecutive months, revise the annual forecast and adjust discretionary commitments accordingly.

POLICY RECOMMENDATIONS

Decisions for the Next Budget Cycle

1. **Build the annual budget around a core financing envelope.** Separate high-confidence FAAC and IGR from conditional grants, CDF receipts and opening balances. Use the core envelope to determine permanent and irreversible commitments. Expand commitment authority only as conditional financing becomes sufficiently certain.
2. **Make IGR targets traceable to specific yield assumptions.** The 2026 IGR target of ₦59.84 billion is 51.8% above the 2025 outturn. The collection plan should identify the tax, fee, charge or MDA expected to produce each material increment and the policy or administrative action required.
3. **Put a credibility gate on supplementary budgets.** Nasarawa's 2024 final budget was 78.4% above the original budget and 2025 was 24.0% above the original. No major upward revision should proceed without evidence of financing, procurement readiness and sufficient implementation time.
4. **Treat late revenue as a cash-planning issue, not simply a revenue success.** The 2022 and 2024 reports both show that late inflows can coexist with weak or delayed capital execution. Revenue reports should therefore include timing and spendability, not only annual totals.
5. **Front-load project preparation and procurement.** Require major capital projects to complete designs, costing, procurement documentation and site-readiness steps early in the year. Projects that remain unready by Q3 should be re-phased rather than forced into a year-end spending surge.
6. **Manage cash, commitments and payments as separate control points.** A budget line is not a release; a release is not a commitment; and a commitment is not a payment. The monthly review should show each stage separately so management can locate the actual bottleneck.
7. **Institutionalise a Top-50 Capital Project Portfolio.** The 2025 shift to a 51.8% capital share makes project-level management essential. The portfolio should report financing source, procurement stage, contract value, releases, payments, physical progress, completion date and implementation risk.
8. **Target implementation support by sector rather than applying one remedy to all MDAs.** Education, Health, Housing/Water, Environment and Economic Affairs show different execution histories. Each requires a diagnosis based on its own financing, procurement, staffing, contractor and project-readiness constraints.
9. **Extend financial-plus-physical reporting.** The dedicated Basic Education and Primary Healthcare reporting in the 2025 BIR is a useful starting point. Apply the same approach to roads, water, agriculture, housing and other large capital programmes.
10. **Use Q3 as the main intervention point for preventing a Q4 rush.** By September, identify projects with high balances, delayed procurement, uncertain financing or weak physical progress. Re-phase or reprioritise them before the final quarter.

Taken together, these reforms are intended to make Nasarawa's larger fiscal system more predictable: revenue assumptions that can be defended, commitments that reflect available financing, procurement that starts early enough to deliver, and expenditure reporting that shows what citizens received for the money spent.

METHOD & SOURCES

Data Quality, Method and Analytical Boundaries

This publication uses the official Nasarawa State Q4/full-year Budget Performance Reports for 2021–2024, the 2025 Q4 Budget Implementation Report and the 2026 Approved Budget. The five-year master dataset preserves original budget, final/revised budget, Q4 actual and full-year actual values as reported. Derived ratios are calculated separately.

All monetary values are nominal and have not been adjusted for inflation. The report does not estimate debt sustainability, value for money or verified physical completion because the source set does not contain the full debt stock, price indices, contract records and independently verified output data required for those analyses.

Core source set

- Nasarawa State Government. Budget Performance Report, Q4/Full Year 2021.
- Nasarawa State Government. Budget Performance Report, Q4/Full Year 2022.
- Nasarawa State Government. Budget Performance Report, Q4/Full Year 2023.
- Nasarawa State Government. Budget Performance Report, Q4/Full Year 2024.
- Nasarawa State Government. Budget Implementation Report, Q4/Full Year 2025.
- Nasarawa State Government. 2026 Approved Budget.
- Young Leaders Network. Nasarawa State Fiscal Master Dataset 2021–2025.

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