THE 2026 DEBT BILL · AN OPPORTUNITY-COST ANALYSIS

The Price of Debt

What Nigeria's ₦17.4 trillion 2026 debt bill could have bought — and why the bill falls hardest on women and girls.

By Tobechukwu Ezeuko & Rasaq Kareem | Centre for Inclusive Social Development

2026 FEDERAL DEBT SERVICE	OF FEDERAL REVENUE TO INTEREST	SOCIAL BUNDLE IT COULD FUND
₦17.4 trillion	53.7%	100.2%
≈ US$11.6 billion at ₦1,500/US$	More than half of every naira collected	Seven social-sector gaps, closed for one year

In 2026, Nigeria is expected to spend approximately **₦17.4 trillion (US$11.6 billion)** on debt servicing. For roughly ₦17,435.9 billion, the country could instead address its most pressing social-sector needs — classrooms for every out-of-school child, a rebuilt primary-health-centre network, insurance for the vulnerable, safe childbirth for millions of women, and a working-capital fund for female entrepreneurs.

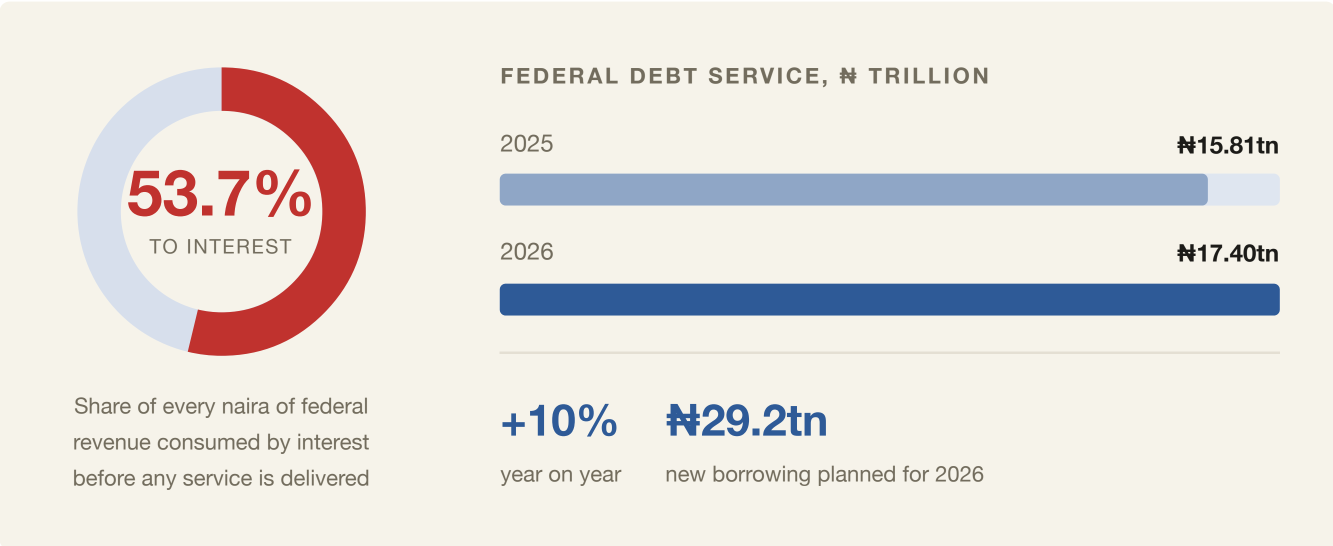
And because women and girls sit at the centre of these disparities, most of that spending would go directly to them. This figure is the story of the trade-off, gap by gap.

01 — THE SCALE

The number that swallows the budget

In May 2026, Channels and BusinessDay reported that Nigeria's federal debt service is expected to reach US$11.6 billion — approximately ₦17.4 trillion at an exchange rate of ₦1,500 per dollar. That is up from ₦15.81 trillion in 2025, according to the Debt Management Office. In its June 2026 Article IV review, the

IMF estimated Nigeria's interest payments at **53.7% of federal revenue** — meaning more than half of every naira the government collects leaves before it can reach a school, a clinic, or a borehole. A further ₦29.2 trillion in gross borrowing is planned for 2026, which will only enlarge next year's bill.



"53.7% of federal revenue now goes to interest payments alone."

IMF ARTICLE IV, JUNE 2026

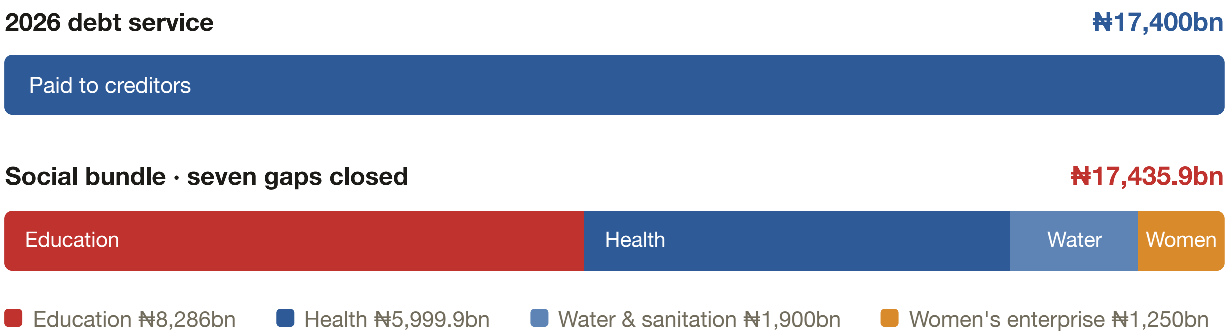
02 — THE MODEL

A one-year test

To make that scale tangible, we built a simple opportunity-cost model: could a single year of debt service have closed Nigeria's most pressing social-sector gaps? Each gap is costed on a year-one basis — either the capital cost of building something (a classroom, a clinic) or one year of running it (an insurance premium, a cash transfer) — using figures from UNICEF, the NHIA, the 2023–24 NDHS, the World Bank, and the Rural Electrification Agency.

The answer is almost exact. Closing the out-of-school-children gap, rebuilding the primary-health-centre network, insuring the vulnerable, ensuring safe childbirth, treating severe child malnutrition, closing the water-and-sanitation gap, and capitalising a women's enterprise fund would cost **₦17,435.9 billion — 100.2% of the year's entire debt-service bill.** Just ₦35.9 billion separates the two numbers, inside a ₦17-trillion comparison.

ONE YEAR OF DEBT SERVICE VS. THE SOCIAL BUNDLE IT COULD FUND



₦35.9bn is all that separates the two figures — a rounding error inside a ₦17-trillion choice. The social bundle costs **100.2%** of one year of debt service.

03 — CHILDREN

Starting with the children

Begin with the most direct human cost. Nigeria has the world's largest out-of-school population — roughly **18.3 million children.** Building 255,000 primary and 202,500 secondary classrooms, and providing a year of teaching and materials for 10.2 million primary-age children, would cost ₦8,286 billion — about five and a half months of debt service. Girls account for 58–60% of that out-of-school population (UNICEF; Save the Children, 2026), so roughly **59% of the budget (₦4.9 billion)** would go to their education.

18.3m	**457.5k**	**₦8,286bn**	**10.6m**
out-of-school children	classrooms to build	year-one cost · 5.7 months of debt service	girls · 58% of the total

WHO IS OUT OF SCHOOL

04 — HEALTH & WATER

What debt service could rebuild in health

Investing ₦5,999.9 billion — about four months of debt service — could build 9,300 new ward-level primary health centres and revitalise 5,000 dilapidated ones (₦3,152.8bn), provide health insurance to 83 million uninsured Nigerians (₦996bn), give a safe-delivery package to 4.4 million women who deliver without skilled attendance (₦332.1bn), treat 3 million children for severe wasting, and fully immunise 2.3 million more.

14,300 primary health centres built or revitalised	**83m** uninsured Nigerians covered	**4.4m** women given safe-delivery care
3m children treated for severe wasting	**2.3m** children fully immunised	**₦5,999.9bn** total · 4.1 months of debt service

Add the ₦1,900 billion needed to close Nigeria's SDG6 water-and-sanitation gap for the **113 million people who lack safe water** — a burden of walking and carrying that falls disproportionately on women and girls. The combined cost of education, health, and water reaches ₦16,185.9 billion: **93% of annual debt service.**

EDUCATION + HEALTH + WATER, AS A SHARE OF ONE YEAR OF DEBT SERVICE 93%

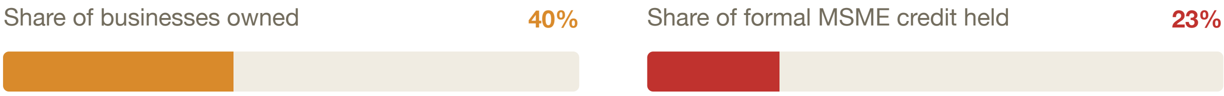
₦16,185.9bn of ₦17,400bn — with ₦1.2tn to spare before the year is spent.

05 — WOMEN'S CAPITAL

Women's own line item

The headline bundle closes with ₦1,250 billion to seed a revolving enterprise-finance fund for **5 million women entrepreneurs.** It addresses a stark credit gap: women own roughly 40% of Nigerian businesses but hold only 23% of formal MSME credit (Impact Investors GESI, May 2026). Adding that line brings the total to ₦17,435.9 billion — the figure this brief opened with.

THE CREDIT GAP WOMEN-OWNED BUSINESSES FACE



₦1,250bn a revolving fund reaching 5 million women — the final line of the ₦17,435.9bn bundle.

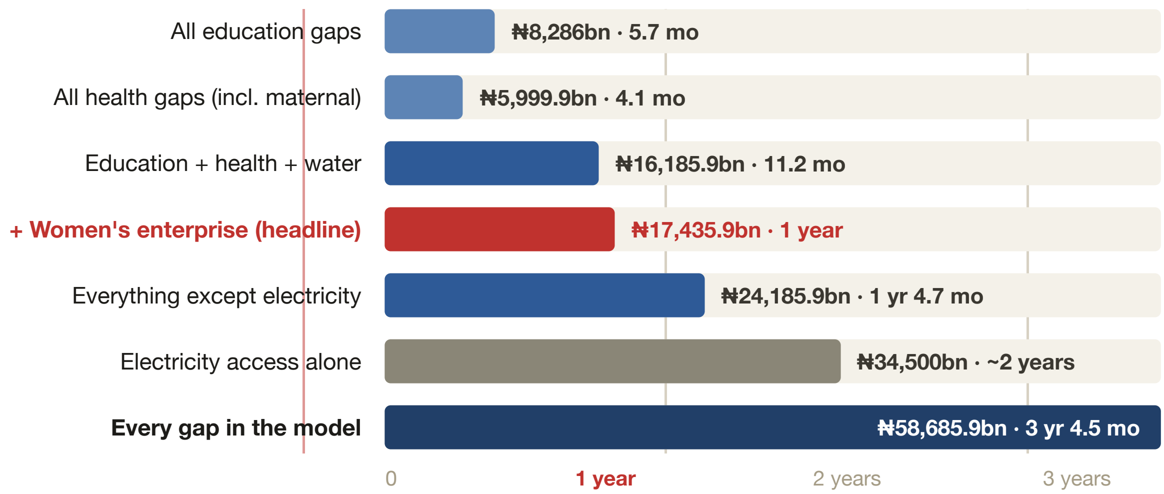
06 — THE LADDER

What a second — and third — year would buy

The trade-off does not end at one year; it simply gets pricier. Direct cash transfers to Nigeria's 15 million poorest households (₦4,500bn; 94% of recipients are women, per World Bank data on the National Social Safety-Nets Programme) and finance-and-input packages for 15 million smallholder farmers (₦2,250bn) push the running total to ₦24,185.9 billion — about 1.4 years of debt service. Electricity access for 86 million Nigerians is the model's single largest line at ₦34,500 billion, roughly two years on its own. Every gap in the model totals **₦58,685.9 billion — 3.4 years of debt servicing.**

THE OPPORTUNITY-COST LADDER

Each bundle measured in years of federal debt service. One year = ₦17,400bn.

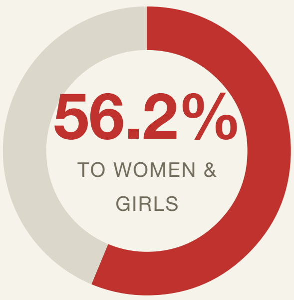


07 — THE GENDER LEDGER

Who the spending would reach

Layer sex-disaggregated beneficiary data onto the same model and a second pattern emerges. Women and girls receive **56.2% of the ₦58.7-trillion package — approximately ₦33 trillion.** That includes the direct beneficiaries of programmes such as safe delivery and enterprise finance, plus the majority share of mixed-beneficiary programmes like basic education. Remove the capital-intensive, gender-neutral electricity bill and the share rises to 65.1%.

Debt service is sex-blind: a naira paid to a bondholder has no idea whether it would have gone to a girl's education or a mother's safe delivery. The spending, by contrast, is sharply targeted. Women or girls are the largest beneficiaries in eight of the ten programmes modelled — and the sole beneficiaries of two: maternal care and enterprise finance.



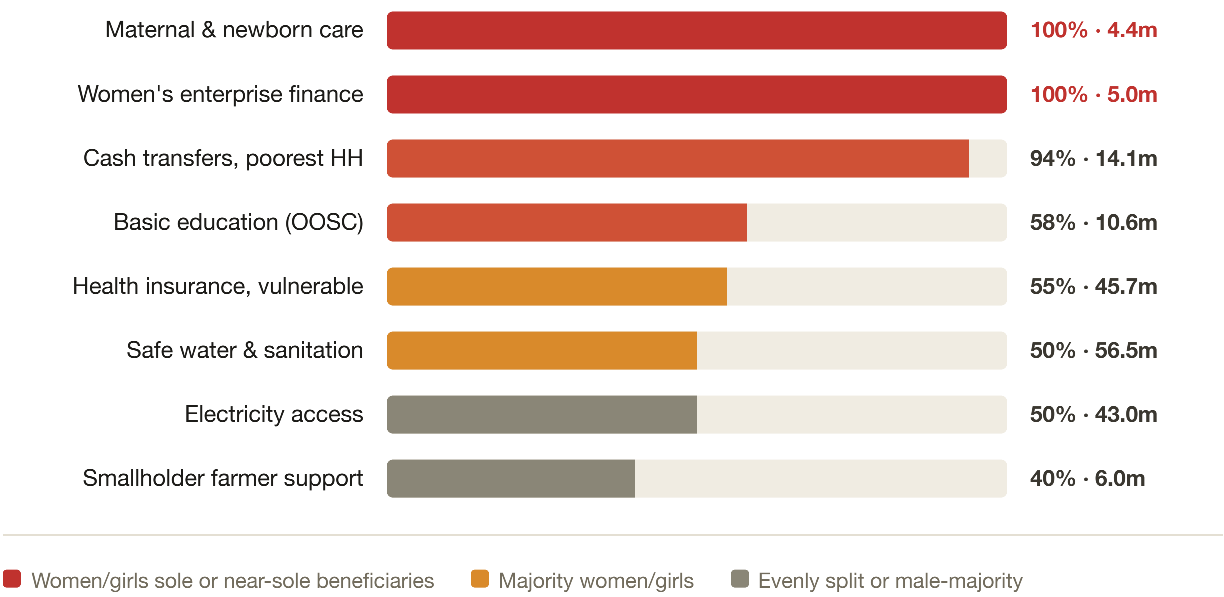
Of the full ₦58.7-trillion package, an estimated **₦33 trillion** would reach women and girls directly.

65.1%
women's share once electricity is removed

8 of 10
programmes where women benefit most

WOMEN & GIRLS' SHARE OF BENEFICIARIES, BY PROGRAMME

Bar shows women/girls' share; figure at right is beneficiaries reached.



THE CAVEAT

None of these are cost-free swaps. Debt service is contractual; failing to pay carries economic and reputational consequences, and creditors are not a line item that can simply be redirected to a ministry budget. This model measures *scale*, not policy prescription — it quantifies the size of Nigeria's annual trade-off between servicing creditors and closing gaps that fall disproportionately on its women and children. Unit costs and beneficiary shares are drawn from the cited public sources and, where noted, are analyst estimates to be revised as more data becomes available. Beneficiary counts overlap across programmes and are not summed.

METHODOLOGY & SOURCES

How the model is built

Pool. 2026 federal debt service of US$11.6 billion (Channels/BusinessDay, May 2026) × ₦1,500/US$ = ₦17.4 trillion. Each gap is costed on a year-one basis.

Women's share is the proportion of a programme's direct beneficiaries who are women or girls. **Women's ₦** multiplies cost by that share, summed without double-counting package-level gender figures.

Sources. 2026 debt service, US$11.6bn — Channels/BusinessDay, May 2026. 2025 debt service, ₦15.81tn — Punch/DMO, April 2026. Interest-to-revenue, 53.7% — IMF Article IV, June 2026. 2026 gross borrowing, ₦29.2tn — Punch/Budget Office. Out-of-school children — UNICEF; girls' share — Save the Children, 2026. PHC and insurance unit costs — NHIA Vulnerable Group Fund. Maternal and skilled-birth-attendance data — NDHS 2023–24. WASH investment gap (SDG6), US$5.3bn. Electricity access gap, US$23bn — Rural Electrification Agency, March 2026. Cash-transfer beneficiary data — World Bank (NASSP). Enterprise-finance credit gap — Impact Investors GESI, May 2026.

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Independent research advancing inclusive social development and gender-responsive fiscal policy across Nigeria.

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