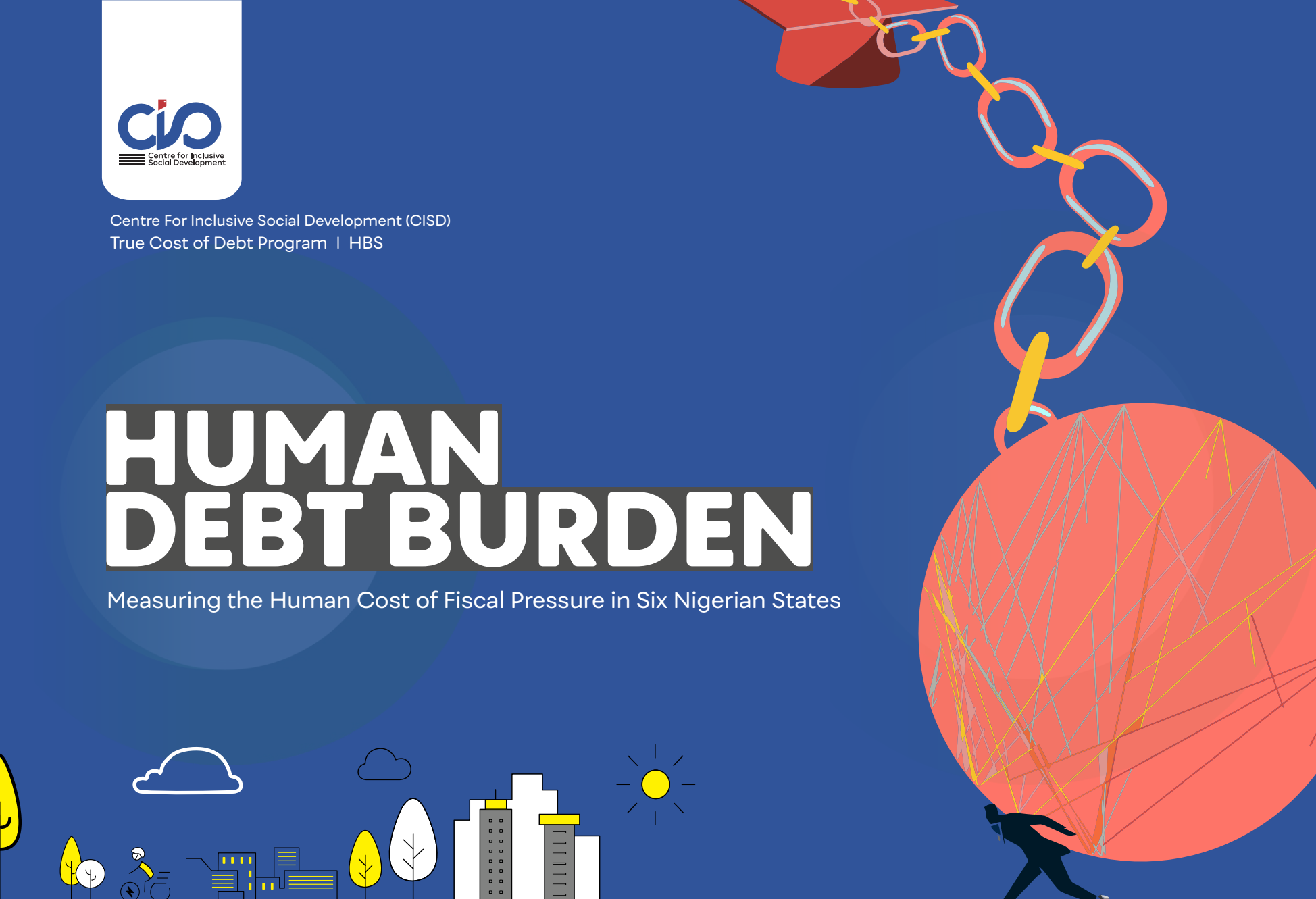




Centre For Inclusive Social Development (CISD)
True Cost of Debt Program | HBS

HUMAN DEBT BURDEN

Measuring the Human Cost of Fiscal Pressure in Six Nigerian States





The Human Debt Burden Report asks a different question: when a state government pays debt before it pays for schools, hospitals, and infrastructure, who bears the real cost?

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Executive Summary

Nigeria's fiscal problem is commonly framed as a sovereign-level challenge: rising debt, compressed revenues, and constrained federal budgets. This report shifts the lens from the treasury to the citizens.

The Human Debt Burden Report asks a different question: when a state government pays debt before it pays for schools, hospitals, and infrastructure, who bears the real cost?

Using four years of fiscal data (2022–2025), poverty and deprivation estimates from the OPHI Global MPI 2025, primary healthcare facility data from the Federal Ministry of Health, and out-of-school children statistics across six focal states, this report constructs the first state-level Human Debt Burden Index for Nigeria.

The six states under analysis are Adamawa, Benue, Enugu, Kaduna, Ogun, and Rivers.

CENTRAL FINDING

Nigeria's debt burden is not merely a fiscal challenge. In several states, it is actively competing with health, education, and infrastructure for the same limited public naira. The evidence shows that states with the highest fiscal pressure are also those with the deepest multidimensional poverty. This is not a coincidence. It is a structural consequence of fiscal sequencing: Debt obligations due within the fiscal year are prioritized and fully paid, on time. The social floor is funded last, if at all.

Key Findings at a Glance

3.2 million 

Kaduna scores highest on fiscal pressure with a debt-to-revenue ratio of 2.34x, meaning the state owes more than twice its annual revenue. Yet 34.1% of its population lives in multidimensional poverty and 3.2 million people are MPI-poor.



Rivers and Enugu record the lowest human debt burden, underpinned by stronger revenue bases, lower poverty rates, and better social sector execution. These states demonstrate that the debt-deprivation spiral is not inevitable, but is a function of fiscal structure.

30% 

Adamawa high human debt burden is driven by extreme human deprivation (MPI 0.182, headcount 39.1%) and the worst service delivery gap in the sample, with 36% of PHC facilities non-operational and 30% of primary school-age children out of school.

84% 

Across all six states, health budget execution rates range from 26% to 84%, meaning governments are allocating money to health on paper but not releasing it to facilities on the ground. The result is a double failure: debt is paid, but health services are not delivered.

69.9 billion 

Benue paid more in debt service in 2025 (N69.9 billion) than it spent on both education and health combined (N57.1 billion). Every naira its government allocated to schools and clinics was outpaced by 1.22 naira going to debt repayment.

59% 

Rivers has 59% of its PHC facilities non-operational, despite having the highest total revenue of all six states. This highlights that fiscal capacity alone does not guarantee service delivery; what matters is how governments choose to deploy that capacity.

Selection of Focal States

The six focal states:

[Adamawa](#), [Benue](#), [Enugu](#), [Kaduna](#), [Ogun](#), and [Rivers](#) – were purposively selected to provide a comparative assessment of how fiscal pressure translates into human development outcomes across different state contexts.

The selection was first guided by ensuring geographic representation across Nigeria's six geopolitical zones, with one state selected from each zone to capture variations in economic structure, governance conditions, and social development challenges.

Beyond geographic representation, the states were selected based on differences in debt burden, revenue capacity, poverty levels, and service delivery performance. This approach allows the analysis to compare states experiencing varying degrees of fiscal pressure and assess how differences in public finance conditions influence human development outcomes.

[Kaduna and Adamawa](#) represent states experiencing high fiscal and human development pressures, characterized by elevated debt exposure, high multidimensional poverty, and significant social service gaps.

[Benue](#) was selected as a case of debt-service crowding out social sector spending, where debt obligations exceeded combined education and health expenditure.

In contrast, [Rivers and Enugu](#) were

included as comparison cases representing stronger fiscal positions, higher revenue capacity, and relatively lower poverty levels. Their inclusion allows the analysis to examine whether greater fiscal space necessarily translates into improved human outcomes.

[Ogun](#) was selected as a middle-ground case, representing a state with stronger internally generated revenue capacity but continued fiscal pressure from debt obligations and service delivery challenges.

Together, the six states provide a balanced sample representing different fiscal realities, geographic zones, and human development conditions, allowing the study to examine the relationship between debt pressure and the human cost of fiscal decisions.

SECTION 1

The Fiscal Reality:

Understanding the starting Point



State governments in Nigeria face a structural constraint that shapes every budget decision they make: most of their money comes from the federal government, not from their own citizens and economies.

Before we can measure the human cost of fiscal pressure, we need to understand the fiscal environment that Nigerian states are operating within. State governments in Nigeria face a structural constraint that shapes every budget decision they make: most of their money comes from the federal government, not from their own citizens and economies.

This dependency limits their financial autonomy, amplifies the impact of federal-level shocks, and directly constrains their capacity to invest in

human development.

1.1 Revenue Structure: Who Pays for the State?

State revenue in Nigeria flows from three sources: Internally Generated Revenue (IGR), which is what the state collects itself through taxes, fees, and levies; FAAC allocations, which are transfers from the federation account funded primarily by oil revenue; and federal grants and other transfers. The balance between these sources determines fiscal autonomy.

Table 1: Revenue Structure of Six Focal States (Most Recent Available Year)

State	Total Rev (N bn)	IGR Share	Fed. Dependency	Year
Ogun	523.9	45.4%	54.6%	2025
Enugu	750.9	54.2%	45.8%	2025
Rivers	1,030.9	33.8%	66.2%	2024
Kaduna	455.4	19.0%	81.0%	2025
Adamawa	249.7	9.7%	90.3%	2025
Benue	446.0	6.6%	93.4%	2025

Source: State Budget Documents 2022–2025. IGR Share = $\text{IGR} \div \text{Total Revenue}$. Federal Dependency = $(\text{FAAC} + \text{Grants}) \div \text{Total Revenue}$.



45%



Enugu and Ogun generate more than 45% of their revenue internally, giving them a meaningful degree of fiscal independence.



The combination of devaluation-driven growth in external debt (denominated in foreign currency but held on naira-balance sheets) and sustained domestic borrowing has pushed debt-to-revenue ratios well above sustainable thresholds for some states.

The contrast is striking. Enugu and Ogun generate more than 45% of their revenue internally, giving them a meaningful degree of fiscal independence.

Benue and Adamawa, by contrast, depend on the federal government for more than 90 cents of every naira they spend. When federal transfers are delayed, reduced, or disrupted by oil price volatility, these states have almost no buffer.

Their capacity to fund hospitals, schools, and infrastructure hangs on the price of oil at the Bonny Light terminal.

Adamawa depends on Abuja for 90.3% of its revenue. When oil revenues fall, Adamawa's schools and clinics feel it first.

1.2 Debt Accumulation: What States Owe

State-level debt in Nigeria has grown substantially over the four-year period covered by this report. The combination of devaluation-driven growth in external debt (denominated in foreign currency but held on naira-balance sheets) and sustained domestic borrowing has pushed debt-to-revenue ratios well above sustainable thresholds for some states.

Table 2: State Debt Stock (Q4 2025)

State	Total Debt (N bn)	External %	Domestic %	Debt / Revenue
Kaduna	1,066.8	92.1%	7.9%	2.34x
Rivers	624.1	39.3%	60.7%	0.61x
Ogun	538.9	57.8%	42.2%	1.03x
Adamawa	244.9	72.6%	27.4%	0.98x
Enugu	301.0	47.6%	52.4%	0.40x
Benue	191.0	43.9%	56.1%	0.43x

Source: DMO Subnational Debt Data, Q4 2025. Debt/Revenue ratio uses the most recent available total revenue.



9.7%

Adamawa, despite a lower debt stock in absolute terms, carries a debt-to-revenue ratio of 0.98x while generating barely 9.7% of its revenue internally.



Every depreciation of the naira increases Kaduna's debt burden in naira terms without it borrowing a single additional dollar.

Kaduna's debt-to-revenue ratio of 2.34x is the most alarming figure in this dataset. It means the state has accumulated debt exceeding twice its annual revenue, and 92.1% of that debt is external, held in foreign currency.

Every depreciation of the naira increases Kaduna's debt burden in naira terms without it borrowing a single additional dollar. Adamawa, despite a lower debt stock in absolute terms, carries a debt-to-revenue ratio of 0.98x while generating barely 9.7% of its revenue internally. It is fiscally cornered.

1.3 Debt Service Pressure: The Budget Line That Never Moves

Debt service is the most inflexible line in any government's budget. Interest payments and principal repayments are contractual obligations. They do not wait for oil prices to recover.

They do not defer when a hospital needs equipment. They are paid first, in full, on time, or the state faces penalties, rating downgrades, and loss of access to future credit. The question is: what gets cut to ensure debt is paid?

Table 3: Debt Service vs Social Sector Spending (2025)

State	Debt Service (Nbn)	DS % of Revenue	Edu+Health Actual (N bn)	DS vs Social Ratio
Benue	69.9	15.7%	57.1	1.22x
Ogun	85.9	16.4%	118.5	0.72x
Kaduna	62.8	13.8%	103.5	0.61x
Adamawa	31.6	12.7%	60.3	0.52x
Rivers	*7.6	0.7%	134.6	0.06x
Enugu	11.0	1.5%	177.1	0.06x

Source: State Debt Service records 2024–2025; State Budget execution data.
Social spend = actual education + actual health expenditure.

*2024 figure used



69.9 billion

In 2025, Benue paid N69.9 billion in debt service and spent N57.1 billion on education and health combined. For every naira that reached a school or clinic, N1.22 was leaving the state to service debt.

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Ogun and Kaduna devote 16.4% and 13.8% of their total revenue, respectively to debt service, crowding out investment in every other budget line.

Rivers and Enugu, by contrast, dedicate less than 2% of revenue to debt service, freeing up fiscal space that is visible in their stronger human development outcomes.



SECTION 2

Debt Stock, Debt Service, and IGR:

A Four-Year Trajectory

Point-in-time figures tell only part of the story. Understanding how debt has grown, whether debt service is rising or stabilising, and whether states are building the revenue muscle to stay ahead of their obligations requires looking at trends over time.

This section traces the 2022–2025 trajectory of three critical fiscal indicators across the six focal states: total debt stock, annual debt service paid, and Internally Generated Revenue.

The patterns that emerge reveal which states are heading toward a

fiscal cliff and which are finding paths to stability.

2.1 Debt Stock Trajectory: Four Years of Accumulation

Between 2022 and 2025, debt stock across the six focal states grew substantially, driven primarily by two forces: new borrowing to fund capital investment, and naira depreciation that mechanically increased the naira value of foreign-currency loans without any new borrowing at all. The impact of the latter has been particularly severe for states with high external debt exposure, most dramatically Kaduna.



Between 2022 and 2025, debt stock across the six focal states grew substantially, driven primarily by two forces: new borrowing to fund capital investment, and naira depreciation that mechanically increased the naira value of foreign-currency loans without any new borrowing at all.



The mismatch between obligation accumulation and revenue generation is the structural fault line that will define Kaduna's fiscal choices for years to come.

N732 billion

To put that in perspective: Kaduna's debt grew by N732 billion over three years while its Internally Generated Revenue grew by approximately N37 billion over the same period.

Table 4: Debt Stock Growth Trajectory, 2022–2025 (N billion)

State	2022	2023	2024	2025	Growth \n2022–25
Adamawa	170.9	231.1	231.6	244.9	+43%
Benue	154.7	214.0	161.8	191.0	+23%
Enugu	146.0	200.5	252.9	301.0	+106%
Kaduna	334.5	613.5	985.5	1,066.8	+219%
Ogun	331.5	430.5	508.0	538.9	+63%
Rivers	264.5	305.4	670.8	624.1	+136%

Source: DMO Subnational Debt Database, Q4 of each year. Growth = $(2025 - 2022) / 2022$.

Kaduna's debt trajectory stands out across the entire dataset.

Its debt stock grew from N334.5 billion in 2022 to N1,066.8 billion in 2025, an increase of 219% in three years, compounding at 47.2% annually.

To put that in perspective: Kaduna's debt grew by N732 billion over three years while its Internally Generated

Revenue grew by approximately N37 billion over the same period. The gap between what the state owes and what it earns from its own economy has widened dramatically with every passing year.

Kaduna's debt stock grew by N732 billion in three years. Its IGR grew by N37 billion. The mismatch between obligation accumulation and revenue generation is the structural fault line

that will define Kaduna's fiscal choices for years to come.

Rivers' debt trajectory reflects a different story: a sharp rise from N264.5 billion in 2022 to N670.8 billion in 2024, followed by a reduction to N624.1 billion in 2025.

This suggests active debt management and repayment capacity that most other states lack. The combination of high revenue, manageable debt service obligations, and declining debt stock puts Rivers in a structurally different position from the rest of the sample.

Enugu's debt growth of 106% over three years, from N146 billion to N301

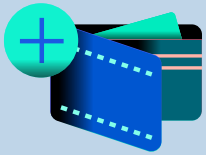
billion, is notable not because it signals a crisis but because it is outpaced by even more dramatic IGR growth.

Enugu is a state where both debt and revenue grew significantly, but revenue grew faster. That is what a manageable debt trajectory looks like.

Benue's debt trajectory shows a different irregularity: it actually fell from N214 billion in 2023 to N161.8 billion in 2024, before rising again to N191 billion in 2025. This likely reflects restructuring or debt forgiveness arrangements, but the 2025 debt service spike to N69.9 billion suggests that obligations deferred in 2024 came due in 2025 in concentrated form.

2.2 Debt Service: Rising Obligations, Uneven Pressures

Debt service, the annual cash outflow



Enugu is a state where both debt and revenue grew significantly, but revenue grew faster. That is what a manageable debt trajectory looks like.

N301 billion

Enugu's debt growth of 106% over three years, from N146 billion to N301 billion, is notable not because it signals a crisis but because it is outpaced by even more dramatic IGR growth.



to service interest and repay principal, is the most immediate mechanism through which debt stock translates into fiscal pressure. It is the line in the budget that competes directly with spending on health, education, and infrastructure. Tracking its trajectory reveals which states face a tightening obligation spiral and which have found ways to contain it.

Table 5: Annual Debt Service Paid (N billion) and Debt Service(DS) as % of Total Revenue

State	DS 2022	DS / Rev %	DS 2023	DS / Rev %	DS 2024	DS / Rev %	DS 2025	DS / Rev %
Adama wa	16.6	15.5%	17.6	15.7%	32.7	17.8%	31.6	12.7%
Benue	21.8	14.4%	8.3	5.2%	7.5	2.4%	69.9	15.7%
Enugu	31.6	25.2%	6.4	4.1%	10.4	2.6%	11.0	1.5%
Kaduna	17.2	8.1%	–	–	53.7	11.7%	62.8	13.8%
Ogun	25.7	8.2%	51.1	17.4%	127.8	24.6%	85.9	16.4%
Rivers	48.1	9.7%	8.6	1.1%	7.6	0.7%	–	–

Source: State Debt Service records 2022–2025. DS = total debt service paid (principal + interest). DS% Rev = DS as % of total revenue. – indicates data not available for that year.

The most dramatic trajectory in this table belongs to Benue. Its debt service payments fell sharply from N21.8 billion in 2022 to just N7.5 billion in 2024, a pattern consistent with debt restructuring or deferred obligations. Then in 2025, N69.9 billion came due in a single year, representing 15.7% of total revenue. This is not a stable debt management trajectory. It is the profile of a state that deferred obligations and then faced a cliff edge when they came due simultaneously.



N7.5 billion

The most dramatic trajectory in this table belongs to Benue. Its debt service payments fell sharply from N21.8 billion in 2022 to just N7.5 billion in 2024, a pattern consistent with debt restructuring or deferred obligations.



N7.6 billion

Rivers stands out for having the lowest debt service burden of any state in the dataset, both in absolute terms and as a share of revenue, having actively reduced its annual payments from N48.1 billion in 2022 to N7.6 billion in 2024.

Benue's debt service collapsed from N21.8 billion in 2022 to N7.5 billion in 2024, then exploded to N69.9 billion in 2025. This is not gradual repayment management. It is a deferred reckoning.

Ogun shows the opposite trajectory: steadily rising debt service, peaking at N127.8 billion in 2024 (24.6% of revenue) before coming down to N85.9 billion in 2025. The 2024 peak was extraordinary, consuming almost one quarter of the state's entire annual revenue in debt service alone. For context, Ogun's actual health expenditure in 2024 was N17.1 billion, meaning its debt service was 7.5 times what it spent on healthcare that year.

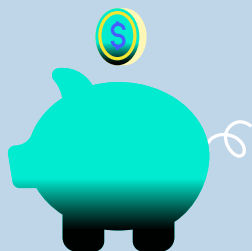
Enugu demonstrates what fiscal consolidation through revenue growth looks like. In 2022, its debt service of N31.6 billion consumed 25.2% of its total revenue. By 2025, despite debt service remaining at N11 billion,

revenue growth had compressed the ratio to just 1.5%. The debt service burden did not disappear. It became manageable because revenue grew faster than obligations.

Rivers stands out for having the lowest debt service burden of any state in the dataset, both in absolute terms and as a share of revenue, having actively reduced its annual payments from N48.1 billion in 2022 to N7.6 billion in 2024.

This fiscal discipline, combined with the state's high revenue base, explains why Rivers' human development outcomes are significantly better than its geographic neighbours with similar income levels.

Adamawa's debt service has remained persistently elevated at 12–18% of revenue throughout the period, with no meaningful reduction. This is the definition of a structural fiscal constraint: no good year and no



N406.8 billion

Enugu's IGR growth story is the most dramatic in this dataset and among the most remarkable in recent Nigerian state fiscal history. Its IGR grew from N25.1 billion in 2022 to N406.8 billion in 2025

bad year, just a constant drain that never allows the state to build fiscal space for development investment.

2.3 Internally Generated Revenue: The Race Against Obligations

IGR growth is the most important long-run fiscal variable for Nigerian states. A state that grows its IGR

faster than its debt obligations is building fiscal resilience. A state whose IGR stagnates while debt service rises is sliding toward a point at which public services must be cut to service creditors.

The 2022–2025 IGR trajectories across the six focal states show three very different stories.

Table 6: Internally Generated Revenue Growth, 2022–2025 (N billion)

State	IGR 2022	IGR 2023	IGR 2024	IGR 2025	4-Year Growth	IGR vs DS 2025
Adamawa	10.1	13.5	13.8	24.1	+139%	0.76x DS
Benue	17.4	22.7	10.7	29.4	+69%	0.42x DS
Enugu	25.1	37.6	180.5	406.8	+1,521%	37x DS
Kaduna	49.6	–	70.2	86.7	+75%	1.4x DS
Ogun	119.8	137.9	192.4	237.6	+98%	2.8x DS
Rivers	195.9	210.4	348.2	–	+78% (to 2024)	–

Source: State Budget Documents 2022–2025. $IGR\ vs\ DS\ 2025 = IGR \div Debt\ Service\ in\ 2025$ (shows how many naira of own-source revenue exist per naira of debt service). 2025 Rivers data not available; 2024 used for growth calculation.

Enugu's IGR growth story is the most dramatic in this dataset and among the most remarkable in recent

Nigerian state fiscal history. Its IGR grew from N25.1 billion in 2022 to N406.8 billion in 2025, a 1,521%

increase over three years. By 2025, Enugu's IGR was generating enough own-source revenue to cover its annual debt service 37 times over. Whatever institutional and policy reforms drove this growth, they represent the single most powerful fiscal transformation visible in this study.

Enugu's Internally Generated Revenue grew by 1,521% between 2022 and 2025, from N25.1 billion to N406.8 billion. By 2025, its own-source revenue covered its debt service obligation 37 times over. This is what fiscal transformation looks like.

Adamawa's IGR of N24.1 billion in 2025 is lower than its debt service payment of N31.6 billion in the same year. This means that even if Adamawa directed every naira it collects from its own citizens and businesses entirely toward debt repayment, it would still not cover its

obligations. The gap is bridged entirely by federal transfers. This is fiscal dependency at its most structurally dangerous: a state whose own economy cannot generate enough to service what it has borrowed.

Benue's IGR of N29.4 billion in 2025 represents just 42% of its debt service payment of N69.9 billion in the same year. For every N100 Benue paid to service its debt, it generated only N42 from its own economy. The remaining N58 came from federal transfers, which are themselves dependent on national oil revenues. This is not a sustainable fiscal architecture.

Ogun's IGR growth of 98% over the period, reaching N237.6 billion in 2025, reflects the manufacturing and industrial base of Nigeria's gateway state. Its IGR now covers its debt service 2.8 times over. Despite carrying a debt-to-revenue ratio of



1.03x and paying 16.4% of revenue in debt service, Ogun has the own-source revenue base to eventually work down its obligations. The trajectory is strained but not broken.

Kaduna's IGR growth of 75% (from N49.6 billion to N86.7 billion) is positive in isolation but deeply

insufficient in context. Its IGR grew by N37 billion while its debt stock grew by N732 billion.

For every naira of additional own-source revenue it generated, it accumulated N19.8 of new debt. The debt is growing twenty times faster than the revenue needed to service it sustainably.



DEBT STOCK, DEBT SERVICE, AND IGR:

N406.8 billion

Enugu's Internally Generated Revenue grew by 1,521% between 2022 and 2025, from N25.1 billion to N406.8 billion.

N31.6 billion

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N69.9 billion

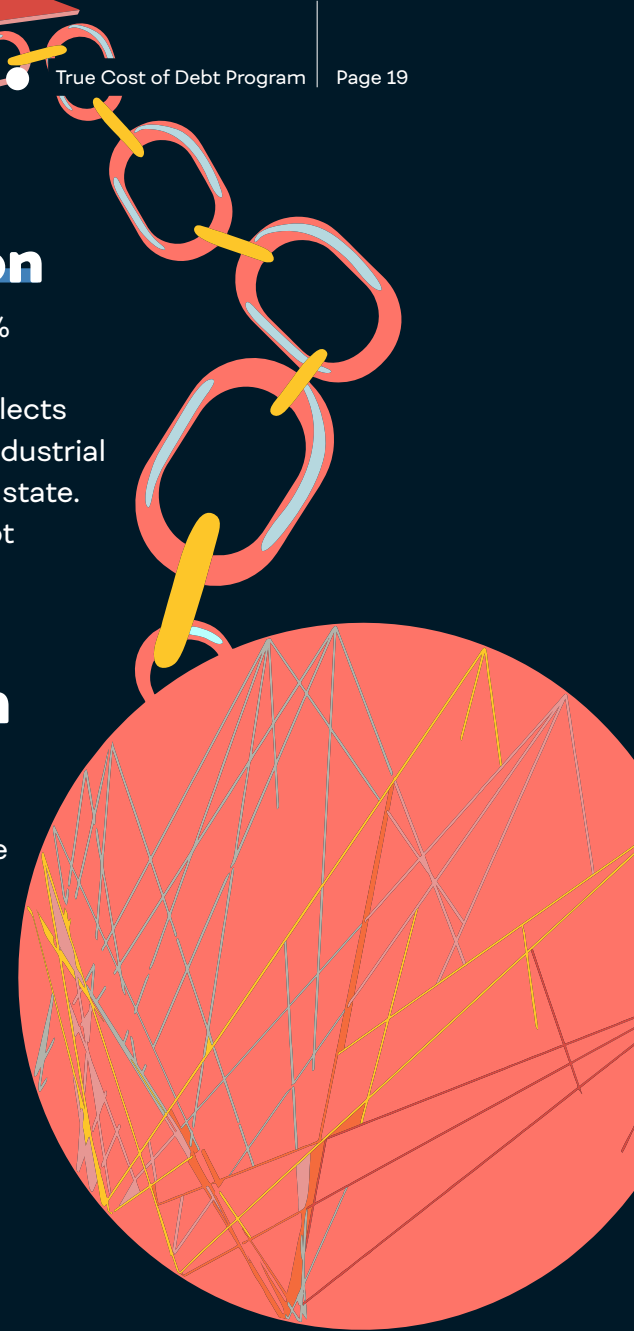
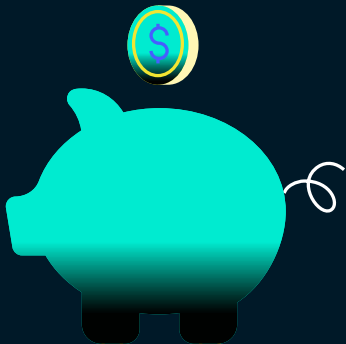
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N86.7 billion

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SECTION 3

Interconnected Failures:

OOSC, PHC, and MPI as a Unified Crisis

The three human development indicators at the heart of this report are not independent measurements of unrelated problems. Out-of-school children, non-functional primary health centres, and multidimensional poverty are interconnected dimensions of a single, reinforcing crisis.

This section makes those connections explicit: tracing the causal and empirical links between PHC dysfunction and health deprivation, between school exclusion and education deprivation in the MPI, and between the overlap of both failures and the depth of poverty in each state.

The child who cannot access a primary health centre and the child who is out of school are frequently the same child, in the same household, counted in the

same MPI poverty headcount. These are not three separate crises. They are three windows onto one.

3.1 PHC Non-Functionality and Health Deprivation: The Supply-Outcome Link

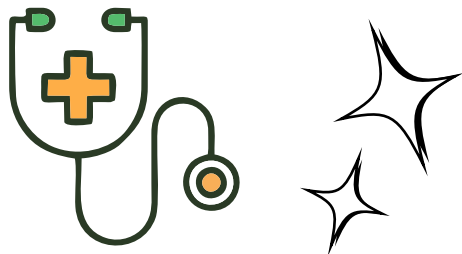
Primary health centres are the first and most accessible point of contact between citizens and the health system. For the majority of Nigeria's rural population, they are the only point of contact.

When a PHC is non-operational, whether due to insufficient staffing, lack of drug supplies, building disrepair, or non-payment of health workers, the populations it was meant to serve have no fallback.

Private facilities are expensive and distant. Referral hospitals are overwhelmed. The health system effectively becomes inaccessible to the poorest citizens.

The OPHI MPI measures this failure

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through two health indicators: child mortality (whether a child has died in the household in the five years preceding the survey) and nutrition (whether any adult or child is undernourished).

The censored headcount ratio for child mortality, which measures the percentage of people who are simultaneously poor and living in a household that has experienced a child death, is particularly relevant here

Table 7: PHC Non-Operational Rate vs Health Deprivation Indicators

State	PHC Total	Non-Operational (%)	BHCPF -Funded Facilities	Child Mort. Depriv. %	Interpretation
Adamawa	787	286 (36.3%)	226	6.4%	High PHC gap + moderate child mortality deprivation
Kaduna	1,015	18 (1.8%)	253	15.5%	Near-full PHC access but high child mortality: quality crisis, not access gap
Benue	1,007	335 (33.3%)	266	3.1%	High PHC gap but lower mortality: rural dispersal may limit exposure
Ogun	520	245 (47.1%)	227	7.1%	Half of PHC non-operational; child mortality deprivation persistent
Enugu	556	279 (50.2%)	258	4.3%	50% non-operational but low poverty rate moderates impact
Rivers	360	214 (59.4%)	205	5.3%	Worst PHC gap but low poverty prevents worst health outcomes

Source: Federal Ministry of Health PHC Database 2024–2025; OPHI MPI 2025 Table 5.2 Censored Headcount Ratios (MICS 2021). Child mortality deprivation = % of total population who are MPI-poor AND live in households with a recent child death.



15.5%

Kaduna child mortality deprivation rate of 15.5% is the highest, meaning 15.5% of the population is simultaneously poor and living in a household that has experienced a child death.

The relationship between PHC non-functionality and health deprivation is not uniform, and that non-uniformity itself tells a story.

Kaduna presents the most important paradox in this analysis: with only 1.8% of PHC facilities non-operational (18 out of 1,015), it has the best PHC access in the study.

Yet its child mortality deprivation rate of 15.5% is the highest, meaning 15.5% of the population is simultaneously poor and living in a household that has experienced a child death. This is not an access problem. It is a quality problem. Facilities are open, but they may lack essential drugs, qualified midwives, functioning equipment, or the consistent budget releases needed to deliver effective care. In Kaduna, the failure of health investment is invisible in the PHC headcount but visible in the mortality data.

Kaduna has 98.2% of PHC facilities operational, the best record in this study. Yet it has the highest child

mortality deprivation rate at 15.5%. A facility that is open but inadequately staffed, under-supplied, or without reliable power is not the same as a facility that delivers health. The difference between access and outcomes is where the quality gap lives.

Adamawa illustrates the more expected pattern: high PHC non-functionality (36.3%) combined with meaningful health deprivation across multiple dimensions. 286 of its 787 facilities are non-operational. Of its 226 BHCPF-funded facilities, only 1 is fully operational under BHCPF funding, suggesting that even the facilities supposed to be directly supported by the federal health fund are not performing.

The 97.6% uncensored cooking fuel deprivation rate, the highest in the study, points to an additional indirect health burden: households relying on solid biomass fuels for cooking face high rates of indoor air pollution, with



59.4%

Rivers presents the starkest version of the fiscal-capacity versus governance problem. With 59.4% of PHC facilities non-operational, more than half of its health infrastructure is dormant.



Out-of-school children data from UBEC and SUBEB measures the proportion of children at primary, junior secondary, and senior secondary school ages who are not enrolled in any formal educational institution

established links to childhood respiratory infections and maternal health complications.

Rivers presents the starkest version of the fiscal-capacity versus governance problem. With 59.4% of PHC facilities non-operational, more than half of its health infrastructure is dormant.

Yet its child mortality deprivation rate of 5.3% and MPI headcount of 8.4% are among the lowest in the study. The explanation lies in Rivers' high urbanisation, private sector health provision in Port Harcourt, and the fact that the wealthier segments of its population access private facilities. The non-operational PHCs are concentrated in rural and riverine communities that are simultaneously more isolated and less politically visible.

Rivers' PHC dysfunction is a geographic inequality problem dressed in aggregate data. Enugu's pattern, with 50.2% PHC non-functionality but a low MPI headcount

of 6.9%, similarly reflects a low-poverty population buffer. Households in Enugu with greater economic resources can substitute private health facilities when public PHCs fail.

This substitution is unavailable to the majority of households in Adamawa, Benue, or Kaduna, where private facility access is limited by both distance and cost.

3.2 Out-of-School Children and Education Deprivation: When Schools Are Absent

Out-of-school children data from UBEC and SUBEB measures the proportion of children at primary, junior secondary, and senior secondary school ages who are not enrolled in any formal educational institution. The OPHI MPI measures education through two censored headcount ratios: years of schooling (the percentage of MPI-poor people living in households where no member has completed at least six years of schooling) and school

attendance (the percentage of MPI-poor people in households where a school-age child is not attending school up to grade 8). These two datasets, collected through different methodologies and time points, converge on the same underlying reality.

Table 8: Out-of-School Children and Education Deprivation Linkages

State	OOSC (Primary)	OOSC (JSS)	OOSC (SSS)	MPI Yrs. of Schooling %	MPI School Attend. %	Education Deprivation Profile
Adamawa	30%	25%	41%	12.1%	21.2%	Severe across all levels; both schooling and attendance deeply deprived
Kaduna	18%	18%	27%	10.1%	15.7%	High and consistent exclusion across all school levels
Benue	13%	7%	18%	7.7%	11.2%	Moderate primary exclusion; low JSS retention problem
Ogun	10%	12%	21%	6.8%	6.1%	Low primary gap; secondary transition is the weak point
Enugu	10%	13%	20%	1.7%	0.3%	OOSC exists but MPI education deprivation is near-zero; poverty is low
Rivers	4%	5%	20%	0.9%	1.8%	Very low primary OOSC; SSS dropout is the education system's main challenge

Source: UBEC/SUBEB Out-of-School Children Data 2024; OPHI MPI 2025
 Table 5.2 Censored Headcount Ratios (MICS 2021). MPI education indicators are censored: only MPI-poor individuals are counted. OOSC is population-wide.



Adamawa's education profile is the most severe in the study across every indicator. At the primary level, 30% of children are out of school. By junior secondary, 25% are absent.

Adamawa's education profile is the most severe in the study across every indicator. At the primary level, 30% of children are out of school. By junior secondary, 25% are absent.

At senior secondary, 41% of school-age children are excluded. The MPI confirms this: 12.1% of the state's total population is simultaneously MPI-poor and living in households without completed primary education, and 21.2% is simultaneously poor and in households where a school-age child is currently not attending.

These are not unrelated statistics. They describe the same children, in the same families, experiencing educational exclusion as a dimension of multi-generational poverty.

A particularly important pattern emerges when comparing Enugu and Rivers with the northern states. In Enugu, 10% of primary-age children are out of school and 13% of junior secondary school-age children are absent, rates that are not dramatically lower than Ogun or even parts of the national average. Yet Enugu's MPI school attendance deprivation is just 0.3%, compared to Adamawa's 21.2%.

The reason for this divergence is the poverty context: in Enugu, most of the households whose children are out of school are not MPI-poor. They may be choosing vocational training, private institutions uncaptured in the UBEC data, or facing different barriers.

In Adamawa, the out-of-school children are overwhelmingly in MPI-poor households, meaning their educational exclusion is inseparable from their broader deprivation. The child in Enugu who is not in school faces a different problem from the child in Adamawa who is not in school.



The latter child is also likely malnourished, without clean water, in a household that has lost a child, and sleeping without electricity.



In all six states, the senior secondary OOSC rate exceeds the primary OOSC rate by a wide margin. In Rivers, the primary OOSC rate is just 4%, but the senior secondary rate is 20%. In Ogun, primary is 10% but senior secondary is 21%. In Enugu, primary is 10% and senior secondary is 20%.

The latter child is also likely malnourished, without clean water, in a household that has lost a child, and sleeping without electricity. Their educational exclusion is embedded in a web of simultaneous deprivations.

In Adamawa, 30% of primary school children are out of school. 21.2% of the entire population is both poor and in households where school-age children are not attending.

These are not separate data points. They are describing the same crisis from two different measurement windows. The secondary school trajectory deserves separate attention.

In all six states, the senior secondary OOSC rate exceeds the primary OOSC rate by a wide margin. In Rivers, the primary OOSC rate is just 4%, but the senior secondary rate is 20%. In Ogun, primary is 10% but senior secondary is 21%. In Enugu, primary is 10% and senior secondary is 20%.

This nationwide pattern of children

entering and then leaving the school system between junior and senior secondary is a systems problem that fiscal analysis alone cannot capture: it reflects the cost of senior secondary schooling, the opportunity cost of attending versus entering the labour market, and institutional quality failures that make staying in school less attractive.

3.3 The Triple Intersection: When All Three Fail Simultaneously

The most important insight of this report is not that each indicator is alarming in isolation. It is that in the states with the highest human debt burden, all three failures, high MPI poverty, high out-of-school rates, and high PHC non-functionality, occur simultaneously, in the same communities, affecting the same populations.

This is not a coincidence. It reflects a single underlying driver: fiscal structures that chronically underfund the services that would prevent these deprivations from compounding.

Table 9: Triple Indicator Overlay – MPI, OOSC, and PHC by State

State	MPI Head -count (H)	Primary OOSC %	PHC Non -Op %	Severe Poverty %	Triple Failure Profile
Adamawa	39.1%	30%	36.3%	15.2%	All three fail simultaneously. Extreme compound deprivation.
Kaduna	34.1%	18%	1.8%	14.7%	PHC access is adequate, but deep poverty and education exclusion persist.
Benue	27.0%	13%	33.3%	7.7%	PHC and poverty compounding; education exclusion moderate.
Ogun	19.9%	10%	47.1%	6.9%	PHC gap most severe; poverty and OOSC moderate but persistent.
Enugu	6.9%	10%	50.2%	2.4%	Low poverty buffers PHC and OOSC failures.
Rivers	8.4%	4%	59.4%	1.4%	Worst PHC gap; low poverty limits human cost at population level.

Sources: OPHI MPI 2025 (MICS 2021); UBEC/SUBEB OOSC 2024; Federal Ministry of Health PHC Database 2024–2025;

Adamawa is the only state in this study where all three failure dimensions are simultaneously severe: an MPI headcount of 39.1%, a primary OOSC

rate of 30%, a PHC non-operational rate of 36.3%, and a severe poverty rate of 15.2%. This is what the worst-case compound deprivation looks like. In



Adamawa is likely to be growing up without consistent access to health services, is more likely than not to have been in a household that has lost a child to preventable causes, is quite possibly not in school, and lives in a household with 97.6% probability of relying on solid fuel for cooking.



Fixing PHC non-functionality in Adamawa and Benue, and closing the school exclusion gap in those same states, directly reaches the MPI-poor, the people for whom these are the only services available.

practical terms, it means a child in rural Adamawa is likely to be growing up without consistent access to health services, is more likely than not to have been in a household that has lost a child to preventable causes, is quite possibly not in school, and lives in a household with 97.6% probability of relying on solid fuel for cooking. Each of these deprivations would be serious individually. Together, they constitute a systematic denial of a human development baseline.

The contrast with Enugu and Rivers is instructive. Both states have significant PHC dysfunction (50% and 59% non-operational respectively), and Enugu has a 10% primary OOSC rate. Yet both with low human debt burden because low poverty rates mean fewer people are exposed to the worst compound effects. In Rivers, the 59% non-operational PHC rate is an institutional failure, but most of Rivers' population has sufficient economic resources to access alternative providers.

In Adamawa, that economic cushion does not exist. When the PHC is closed, there is no alternative.

This asymmetry carries an important policy implication. Fixing PHC non-functionality in Enugu and Rivers is important for health system integrity, but it will not dramatically change human development outcomes because the populations most at risk can already access substitutes.

Fixing PHC non-functionality in Adamawa and Benue, and closing the school exclusion gap in those same states, directly reaches the MPI-poor, the people for whom these are the only services available. The return on investment from health and education spending in high-human debt burden states is higher precisely because the populations are more exposed.

Fixing a non-functional PHC in Rivers matters. Fixing a non-functional PHC in Adamawa is more urgent. The same naira of health investment has a

different human return depending on whether the surrounding population has private substitutes or not. Fiscal policy that ignores this difference is spending efficiently but investing ineffectively.

The Deprivation Feedback Loop

Perhaps the most important structural insight in this analysis is that MPI poverty, OOSC, and PHC dysfunction are not merely correlated. They feed each other in a reinforcing cycle that makes each year of inaction compound the problem.

1

A child born in a household with poor PHC access faces higher risk of malnutrition and early childhood illness, reducing cognitive development and school readiness.

2

A child with impaired development is more likely to start school late, fall behind, and drop out, contributing to the OOSC count and the future years-of-schooling deprivation in the MPI.

3

An adult with limited education earns less, is more likely to be MPI-poor, and is less able to pay for private health services when PHCs are non-functional.

4

An MPI-poor adult with limited income cannot absorb the cost of illness or school fees, perpetuating the household-level deprivation that the MPI measures.



Putting a child back in school without addressing household health deprivation improves the OOSC count but does not break the poverty trap.



Building a PHC without addressing school access leaves the next generation trapped in the same cycle.

5

That household's child is then born into the same PHC-deprived, education-excluded environment, completing the cycle.

This feedback loop is why addressing each indicator in isolation produces limited results. Putting a child back in school without addressing household health deprivation improves the OOSC count but does not break the poverty trap. Building a PHC without addressing school access leaves the next generation trapped in the same cycle.

The MPI framework captures this interconnection precisely: it only counts a person as multidimensionally poor when they are deprived across multiple dimensions simultaneously. Breaking the poverty trap requires breaking multiple deprivations at once.

The MPI does not score deprivations separately and add them up. It identifies people who are deprived across multiple dimensions at the same time. That is the important distinction.

It is not that Adamawa has many education problems and many health problems. It is that the same people are experiencing both.

And it is those same people that fiscal choices about debt service and social spending reach, or fail to reach.

SECTION 4

From Debt Numbers to Human Consequences

Traditional debt analysis asks: how much does the government owe? It tracks ratios, compares benchmarks, and models repayment capacity. These are essential questions. But they miss the most important dimension of the problem.

The Human Debt Burden framework asks a different question: what does this fiscal pressure mean for citizens? Not for the treasury, not for creditors, not for the finance ministry. For the mother in Adamawa who cannot access a functional primary health centre.

For the child in Benue who is out of school not because he is unwilling to learn, but because the school near him does not have a teacher or a roof.

For the farmer in Kaduna who lives with multiple simultaneous deprivations, invisible in aggregate fiscal statistics.

The true cost of debt is not measured in naira. It is measured in foregone clinics, absent teachers, non-functional boreholes, and children growing up without the human capital they need.

4.1 Multidimensional Poverty: Beyond Income

Income poverty tells us that someone lives below a monetary threshold. Multidimensional poverty, as measured by the Oxford Poverty and Human Development Initiative (OPHI) Global MPI 2025, tells us far more: it shows how many people are simultaneously deprived across health, education, and living standards.

When someone is deprived in enough of these dimensions at once, they are counted as multi-dimensionally poor. When they fall short of one or two dimensions, they are vulnerable.

The true cost of debt is not measured in naira. It is measured in foregone clinics, absent teachers, non-functional boreholes, and children growing up without the human capital they need.

Table 10: MPI 2025 State-Level Poverty Profiles (OPHI MICS 2021)

State	MPI Score	Headcount % (H)	Intensity % (A)	Severe Poverty %	MPI Poor (000s)
Adamawa	0.182	39.1%	46.5%	15.2%	2,019
Kaduna	0.167	34.1%	49.0%	14.7%	3,215
Benue	0.116	27.0%	42.8%	7.7%	1,762
Ogun	0.092	19.9%	46.0%	6.9%	1,353
Rivers	0.035	8.4%	41.9%	1.4%	627
Enugu	0.030	6.9%	43.6%	2.4%	344

Source: OPHI Global MPI 2025 (Table 5.1 Subnational Results). Survey: Nigeria MICS 2021.

Adamawa has an MPI headcount of 39.1%. This means nearly four in every ten people in Adamawa are simultaneously deprived across multiple dimensions of wellbeing.

In absolute terms, over 2 million people in this one state live in multidimensional poverty. Kaduna has 3.2 million MPI-poor residents. Benue has 1.76 million. These are not abstract statistics. They are the same populations whose state governments are allocating double-digit percentages of their revenue to

debt service.

4.2 The Deprivation Detail: What People Actually Lack

The MPI's power lies in its disaggregation. Behind the headline index are ten specific indicators covering education, health, and living standards. The censored headcount ratio data from OPHI tells us what percentage of people are simultaneously poor and deprived in each indicator. This is the detail that makes fiscal failures visible.

39.1%

Adamawa has an MPI headcount of 39.1%. This means nearly four in every ten people in Adamawa are simultaneously deprived across multiple dimensions of wellbeing.

Table 11: Selected Deprivation Rates (% of Total Population, Censored)

State	Child Mortality	Yrs of Schooling	School Attend.	Cooking Fuel	Sanitation	Electricity
Adamawa	6.4%	12.1%	21.2%	38.9%	33.3%	31.1%
Kaduna	15.5%	10.1%	15.7%	32.3%	27.7%	17.7%
Benue	3.1%	7.7%	11.2%	26.9%	24.4%	23.3%
Ogun	7.1%	6.8%	6.1%	16.9%	18.6%	14.5%
Rivers	5.3%	0.9%	1.8%	4.8%	6.7%	2.8%
Enugu	4.3%	1.7%	0.3%	5.3%	5.7%	3.3%

Source: OPHI MPI 2025, Table 5.2 Censored Headcount Ratios. Figures show % of the population who are MPI-poor AND deprived in each indicator.

38.9%

In Adamawa, 38.9% of the population is simultaneously poor and deprived of clean cooking fuel.

In Adamawa, 38.9% of the population is simultaneously poor and deprived of clean cooking fuel. 33.3% lack proper sanitation. 21.2% are both poor and living in households where children are not attending school.

These deprivations are not independent of fiscal choices. They are the human residue of budgets that allocate for social services but fail to execute those allocations.

SECTION 5

State Profiles

5.1 Adamawa State – (Extreme Burden)

Adamawa carries the highest overall human debt burden in this study, driven by extreme multidimensional poverty, the worst service delivery gaps, and high fiscal pressure concentrated in a small revenue base.

Adamawa's MPI headcount of 39.1% means that nearly four in ten residents are simultaneously deprived across health, education, and living standards. Of its 5.2 million residents, over 2 million are MPI-poor.

The cooking fuel deprivation rate of 38.9% reflects near-universal reliance on biomass fuels, with direct consequences for indoor air quality,

child respiratory health, and women's time poverty.

On the fiscal side, Adamawa depends on federal transfers for 90.3% of its revenue. Its debt-to-revenue ratio is 0.98x, meaning its debt stock is almost exactly equal to one full year of all its revenue. It pays 12.7% of total revenue in debt service, consuming more than N31.6 billion in 2025 on debt obligations against N60.3 billion in actual education and health spending.

The service delivery reality is stark. Of Adamawa's 787 primary health centres, 286 are non-operational (36.3%). Just 102 have been revitalised. In education, 30% of primary school-age children are out of school, the highest rate in this study.

Capital execution sits at just 39.8%, meaning only 40 cents of every naira budgeted for capital projects was actually released.



On the fiscal side, Adamawa depends on federal transfers for 90.3% of its revenue. Its debt-to-revenue ratio is 0.98x, meaning its debt stock is almost exactly equal to one full year of all its revenue.

5.2 Kaduna State – (Extreme Burden)

Kaduna scores the highest fiscal pressure of any state in this study, with a debt-to-revenue ratio of 2.34x that is the highest in the sample. Its 3.2 million MPI-poor residents constitute the largest absolute poverty headcount of the six states.

The scale of Kaduna's external debt exposure is particularly concerning. External debt constitutes 92.1% of its total debt stock of N1,066.8 billion. Every movement in the naira-dollar exchange rate directly increases Kaduna's debt burden in naira terms.

Since 2022, the naira has experienced sustained depreciation, effectively doubling or tripling the naira-denominated value of its external loans. Kaduna's child mortality deprivation rate is the highest in the study at 15.5%, meaning that 15.5% of the state's population is simultaneously poor and lives in households that have experienced a child death. The

education system is under pressure: 18% of primary-age children are out of school, and 18% of secondary school-age children are also absent from junior secondary school.

PHC performance in Kaduna is the best in the study: 997 of 1,015 facilities are operational (98.2%).

This is a genuine outlier finding and demonstrates that not all dimensions move together. Kaduna has maintained PHC infrastructure even under fiscal pressure. However, with only 41% health budget execution, facilities may be open but not fully equipped or staffed.

5.3 Benue State – (High Burden)

Benue is the state where the debt-versus-social-spending competition is most explicit. In 2025, it paid N69.9 billion in debt service while only spending N57.1 billion on education and health combined. Debt consumed more than social services.



41%

Kaduna has maintained PHC infrastructure even under fiscal pressure. However, with only 41% health budget execution, facilities may be open but not fully equipped or staffed.



26%

Benue health budget execution rate of only 26% in 2025 suggests that even the modest health allocations are not reaching the frontline.



Ogun's manufacturing base, proximity to Lagos, and growing industrial economy give it a revenue profile that most Nigerian states would envy.

With a federal dependency rate of 93.4%, Benue is the most financially dependent state in this study.

It generates just N29.4 billion in IGR against a total revenue of N446 billion, meaning only 6.6 cents of every naira it spends comes from within its own economy. This structural vulnerability means that when federal allocations are thin, there is virtually no domestic revenue to draw on.

The MPI picture for Benue is sobering. A headcount of 27.0% means 1.76 million people live in multidimensional poverty. Of 1,007 PHC facilities, 335 are non-operational (33.3%). The cooking fuel deprivation rate of 26.9% points to energy poverty embedded in everyday life.

The health budget execution rate of only 26% in 2025 suggests that even the modest health allocations are not reaching the frontline.

5.4 Ogun State – (High Burden)

Ogun occupies a paradoxical position: it is one of the more fiscally independent states in this study (45.4% IGR share), yet it faces significant service delivery gaps and pays 16.4% of its revenue in debt service, the highest ratio in the sample.

Ogun's manufacturing base, proximity to Lagos, and growing industrial economy give it a revenue profile that most Nigerian states would envy. Yet its debt-to-revenue ratio of 1.03x, and particularly its debt service burden of N85.9 billion in 2025, is creating fiscal stress.

Interest payments alone totalled N28 billion, money that could have funded the entire annual health capital budget of most other states.

On human outcomes, Ogun sits in the middle: MPI headcount of 19.9%, 1.35 million MPI-poor, and a service delivery



gap driven primarily by PHC dysfunction (47% non-operational) and persistent education execution gaps (57% education budget execution). Ten percent of primary school children are out of school despite Ogun being one of the country's most economically active states.

5.5 Enugu State – (Low Burden)

Enugu demonstrates what is possible when fiscal pressure is contained and revenue is relatively strong. With an MPI headcount of only 6.9% and a debt service-to-revenue ratio of just 1.5%, Enugu keeps its social floor in better shape than the states facing extreme fiscal pressure.

Enugu's IGR performance has grown substantially over the four-year period, reaching N406.8 billion in 2025 with a 54.2% IGR share, the highest self-generated revenue proportion of all six states. This fiscal autonomy translates into budget decisions less constrained by debt obligations.

However, Enugu's service delivery gap score is notable (67.5): 50% of PHC facilities are non-operational, and health budget execution was only 36% in 2025. This suggests that while Enugu escapes the fiscal trap, it faces institutional capacity challenges in translating budget allocations into operational services. This finding has important policy implications: fiscal space is necessary but not sufficient for human development.

5.6 Rivers State – (Low Burden)

Rivers has the largest revenue base of all six states (N1,030.9 billion) and the lowest debt service burden (0.7% of revenue). The result is visible in human outcomes: an MPI headcount of just 8.4% and the lowest severe poverty rate in the study.

Rivers' fiscal position reflects the structural advantage of being a major oil-producing state with a large FAAC allocation and significant IGR from a diversified urban economy centred on Port Harcourt. Its total debt of N624.1

N406.8bn

Enugu's IGR performance has grown substantially over the four-year period, reaching N406.8 billion in 2025 with a 54.2% IGR share, the highest self-generated revenue proportion of all six states.



Despite having fiscal space that other states would consider abundant, 214 of 360 primary health centres are not functioning. This is not a money problem.

36%

Enugu's service delivery gap score is notable (67.5): 50% of PHC facilities are non-operational, and health budget execution was only 36% in 2025.

billion, while not trivial, is proportionately modest relative to its revenue, and it paid only N7.6 billion in debt service in 2024.

The persistent puzzle in Rivers is the PHC non-operational rate of 59.4%, the highest in the study. Despite having fiscal space that other states would consider abundant, 214 of 360 primary health centres are not functioning. This is not a money problem.

It is a governance, accountability, and delivery problem. Rivers illustrates a critical lesson: fiscal strength is not automatically a human development success. How governments deploy their resources matters as much as how much they have.

N7.6bn

Rivers total debt of N624.1 billion, while not trivial, is proportionately modest relative to its revenue, and it paid only N7.6 billion in debt service in 2024.

38.9%

Adamawa's cooking fuel deprivation rate of 38.9% reflects near-universal reliance on biomass fuels, with direct consequences for indoor air quality,

18%

Kaduna's education system is under pressure: 18% of primary-age children are out of school, and 18% of secondary school-age children are also absent from junior secondary school.

N446bn

Benue generates just N29.4 billion in IGR against a total revenue of N446 billion, meaning only 6.6 cents of every naira it spends comes from within its own economy.

N28bn

Ogun state Interest payments alone totalled N28 billion, money that could have funded the entire annual health capital budget of most other states.

SECTION 6

Patterns and Contradictions:

What the Data Reveals

6.1 The Debt-Deprivation Correlation

The most important finding of this analysis is the positive correlation between fiscal pressure and human deprivation. States under the greatest debt and revenue stress also have the deepest poverty. Kaduna and Adamawa anchor the high end of both axes. Rivers and Enugu occupy the low end of both.

The correlation is not perfect, but it is directionally strong enough to challenge the argument that debt and human development are independent concerns.

Pattern: High fiscal pressure + deep poverty is not a coincidence in this dataset. It reflects a structural dynamic where the same fiscal constraints that make debt servicing

difficult also limit investment in the human capital that would make debt sustainable in the long run.

6.2 The Spending Execution Paradox

Across all six states, a consistent finding emerges: governments are allocating more money to health and education in their budgets than they are actually releasing and spending. Budget execution rates range from 26% for Benue's health budget to 88% for Rivers' education spending. The average is well below 60%.

This means that the conversation about social spending cannot stop at allocation. The question is not just: is there enough money in the budget? It is: is the money that is in the budget actually reaching schools, clinics, and infrastructure projects? The evidence suggests it is often not.

The result is a double failure: fiscal resources are constrained by debt, and even the resources that are allocated are not fully deployed.



Across all six states, a consistent finding emerges: governments are allocating more money to health and education in their budgets than they are actually releasing and spending.

6.3 Rivers: Fiscal Strength, PHC Dysfunction

Rivers state presents the most instructive contradiction in this study. By every fiscal metric, Rivers should be a human development leader. It has the largest revenue base, the lowest debt service burden, a relatively low MPI, and the highest education budget execution.

Yet 59% of its PHC facilities are non-operational, the worst performance in the study. This cannot be explained by money. Rivers have the money. The dysfunction is rooted in something else: governance, procurement, political economy, or accountability structures. This finding challenges any simplistic argument that fiscal space

automatically translates into service delivery.

6.4 The Borrowing-Without-Return Pattern

Kaduna borrowed significantly to fund capital projects, evidenced by its large external debt (92.1% external, largely from multilateral and Chinese Exim Bank sources). Yet its poverty headcount remains at 34.1% and 3.2 million people are MPI-poor. The capital expenditure execution rate of 59.1% suggests that a significant share of approved capital budgets went unimplemented.

More borrowing has not translated into commensurate improvement in human development outcomes. The debt is real. The development return is, at best, deferred.



More borrowing has not translated into commensurate improvement in human development outcomes. The debt is real. The development return is, at best, deferred.

SECTION 7

The Human Story:

What this means to Citizens



Behind every percentage point of poverty headcount, every non-operational PHC facility, and every percentage of unspent health budget are families navigating systems that were meant to serve them but increasingly cannot.

The numbers in this report represent lives. Behind every percentage point of poverty headcount, every non-operational PHC facility, and every percentage of unspent health budget are families navigating systems that were meant to serve them but increasingly cannot. This section translates the data into the citizen experience.

7.1 In Adamawa: When the Nearest Clinic is Closed

Imagine a mother in a rural LGA in Adamawa. The nearest primary health centre is 12 kilometres away. She has heard that it was revitalised two years ago, that equipment was installed and a midwife assigned. When she arrives in labour, she finds the facility locked. The midwife has not been paid in three

months. The generator fuel has run out. The facility is one of the 286 non-operational PHCs in the state. Her state government, that year, paid N31.6 billion in debt service. Its health budget execution rate was 41%.

The money was allocated. It was never released. The clinic was never properly stocked. The debt was paid. The child was not safely born.

This is what a debt burden that is becoming a human development challenge looks like. It is not visible in the DMO debt database. It shows up in the infant mortality rate, in the MPI child mortality deprivation figure, and in the 15.2% severe poverty rate of Adamawa's population.

7.2 In Benue: The N69.9 Billion Choice

Benue's 2025 budget made a choice that was not explicitly labeled as such. It paid N69.9 billion in debt service and spent N57.1 billion on education and health. This is not a criticism of Benue's finance team. These are contractual

obligations. The IMF and World Bank have both noted that subnational governments in Nigeria have limited discretion over debt service timing once obligations are committed. But it is important to name what this means for a child in Benue.

The state has 1.76 million people in multidimensional poverty. It has 335 non-functional PHC facilities. It allocates less than 3% of its total revenue to health in actual releases.

And it generates just 6.6% of its revenue internally. For that child, debt is not an abstract macroeconomic concept. It is the teacher who is not in the classroom, the borehole that was never drilled, the drug supply that never arrived at the health post.

7.3 In Rivers: Fiscal Wealth, Human Gaps

Rivers offers a different story, but an

equally important one. This is the state with the most revenue, the lightest debt burden, and some of the better human outcomes. Yet 59% of its PHC facilities are non-operational. The question its citizens deserve to ask is: where is the money going, and why isn't it fixing the clinics?

Rivers demonstrates that fiscal strength, while necessary, is not the whole answer. Accountability, transparency, and the political will to direct resources toward the most vulnerable rather than toward more visible infrastructure are equally essential.

A high revenue state with low debt and high PHC dysfunction is not a fiscal failure. It is a governance failure. And it has exactly the same human cost.

SECTION 8

Policy Recommendations

The Human Debt Burden Index generates not only a comparative score but a set of policy imperatives. The following recommendations are calibrated to the evidence in this report and differentiated by state fiscal profile where appropriate.



Recommendation 1: Adopt Debt Sustainability Frameworks at State Level

The Debt Management Office should work with the Fiscal Responsibility Commission to establish and enforce state-level debt sustainability thresholds. Kaduna's debt-to-revenue ratio of 2.34x is well above any reasonable threshold for a state with limited fiscal autonomy. New borrowing in high-human debt burden states should be conditional on demonstrated improvements in human development outcomes, not merely on project documentation.

- Immediate action: Implement a hard ceiling on debt service as a percentage of total revenue (suggested: 15%) for states receiving FGN guarantees on new external loans.
- Medium-term: Require every state borrowing above 1.5x debt-to-revenue to submit a Human Capital Improvement Plan alongside its borrowing application.



Recommendation 2: Protect Social Sector Allocations and Enforce Budget Execution

The dual failure this report identifies, inadequate allocation and poor execution of what is allocated, demands a two-pronged response. States should establish statutory minimum social sector floors: at minimum, 15% for health (consistent with the Abuja Declaration) and 20 – 26% for education (consistent with the Dakar Framework). But allocation without execution is meaningless.

- Legislate quarterly social sector budget release schedules that are not subject to discretionary executive override.
- Publish monthly health and education budget execution data on state government portals, naming the specific line items that remain unreleased.
- Enugu and Benue should both prioritise health execution (currently 36% and 26%) as the most cost-effective immediate step available.



Recommendation 3: Strengthen Internally Generated Revenue

Federal dependency above 80% is a structural vulnerability that no amount of debt management can fix. Adamawa and Benue generate less than 10% of their revenue internally. This is not primarily a tax administration problem, it reflects an underlying economic structure, but institutional reforms in tax administration, property rating, and informal sector formalisation can meaningfully improve IGR over a three-to-five-year horizon.

- FIRS and State Boards of Internal Revenue should publish annual benchmarking reports comparing actual IGR against estimated taxable capacity.
- The World Bank's SABER programme data, already in use in Kaduna, should be extended to Adamawa and Benue as priority states.



Recommendation 4: Link PHC Funding to Operational Status

The PHC dysfunction data in this report is not primarily a budget story. Rivers has the budget. Enugu has the budget. The problem is execution: procurement failures, staffing gaps, supply chain breakdowns, and governance dysfunction. Addressing these requires a different kind of reform.

- The Basic Health Care Provision Fund (BHCPF) should publish quarterly operational status data for every funded facility, with automatic disbursement suspension for facilities that have been non-operational for more than six months without remediation plans.
- Rivers state, as the most egregious case of fiscal capacity misaligned with PHC outcomes, should be prioritised for an independent operational audit of its 214 non-functional facilities, with findings made public.

Key Findings

1

Nigeria's debt burden is becoming a human development challenge, not just a fiscal one.

In the states under the highest fiscal pressure, Kaduna and Adamawa, the same fiscal squeeze that constrains debt sustainability is also constraining health, education, and infrastructure investment. The debt problem and the human development problem are the same problem, viewed from different angles.

3

Kaduna's external debt exposure is a structural risk amplifier.

At 92.1% external debt, every naira depreciation event directly increases Kaduna's debt burden without additional borrowing. Given the persistent depreciation of the naira since 2023, the effective debt burden for Kaduna may be substantially higher than the nominal figures suggest.

2

Benue paid more in debt service in 2025 than it spent on education and health combined.

With a debt service-to-social spending ratio of 1.22x, Benue has crossed the threshold where contractual fiscal obligations are crowding out discretionary human development investment. This is not a sustainable fiscal or human trajectory.

4

Budget allocation is not budget execution.

Across all six states, health and education budget execution rates average well below 60%. Governments are announcing social commitments that they are not delivering. This execution gap is as damaging to human development outcomes as the fiscal pressure itself.

5

Rivers proves that fiscal strength is necessary but not sufficient.

With the largest revenue base and lowest debt service burden, Rivers should be a human development standout. Its 59% PHC non-operational rate, the worst in the study, demonstrates that governance and accountability gaps can neutralise fiscal advantages. The human cost of poor governance is as real as the human cost of fiscal pressure.

6

The Human Debt Burden range from extreme to low shows the problem is solvable.

The distance between Rivers and Enugu at the low end and Kaduna and Adamawa at the high end is not a random outcome of geography or destiny. It reflects fiscal structure, revenue capacity, debt management choices, and institutional capacity. These are all things that policy can change.

Data Source and Recommendations

- Fiscal and Debt Data: Debt Management Office (DMO) Subnational Debt Database 2022–2025.
State Budget implementation Report Documents (Ogun, Kaduna, Rivers, Enugu, Benue, Adamawa) 2022–2025.
- Poverty and Deprivation Data: Oxford Poverty and Human Development Initiative (OPHI), Global Multidimensional Poverty Index 2025, Table 5 Subnational Results (Alkire, Mishra, Selden and Suppa, 2025). Based on Nigeria MICS 2021.
- PHC Data: NPHCDA facility register, Primary Health Care Facility Status Database, 2024–2025.
- Out-of-School Children: UNICEF / State Universal Basic Education Boards (SUBEB), 2024.

