

Implications of External Borrowing on Nigeria's Sustainable Development Goals (2015-2023)

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Abstract

This study investigates implications of external borrowing on Nigeria's Sustainable Development Goals 2015-2023. The study adopted Debt Overhang Theory as propounded by Krugman. Data for the study were gathered from primary sources through the instrumentality of journals, records from Debt Management office, Budget of the federation office among others. The Multiple Regression using SPSS version 21 was employed in the data analysis. Findings of the study revealed among others, that external borrowing has negative implication on food security in Nigeria, that external borrowing has negative implication on quality education in Nigeria, that external borrowing has negative implication on health care delivery in Nigeria and that external borrowing has negative implication on infrastructural development in Nigeria. Based on the findings, the study recommended among others; That government of Nigeria must at all times identify and work out the intent of loan before it is contracted, that projects to which the external loans are contracted must be able to pay itself back within the period stipulated utilizing financial resources saved as a result to tackle the Sustainable Development Goals targets.

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1. Introduction

Nigeria is one of the most populous country and largest economy in Africa. It is blessed with abundant natural resources especially in the area of oil and gas.(Ojukwu, 2021). However, despite these resources, the country has over the years bedeviled with varied socio-economic challenge. These ranges from infrastructural deficits, high rate of unemployment, abject poverty, increase in infant and maternal mortality rate, illiteracy among others. Efforts to combat these vices has propelled successive government administrations in Nigeria at one time or the other to seek for external borrowing to enable her finance development projects and stabilize the economy (Ojukwu, 2021).

External borrowing involves obtaining funds from foreign lenders, including other countries, international organizations and financial institutions (Bulus, Ifraimu, & Sozon, 2022).This practice is aimed at bridging financial gaps, especially for developing countries with limited domestic resources. External borrowing in most cases is usually sought for when there is need for a country to finance large-scale infrastructure projects, boost economic growth and implement development programs in order to improve the welfare of the people (Omagbemi, 2016). Many developing countries in Africa including Nigeria are known for their patronage to external borrowing. In Nigeria, the phenomenon of external borrowing dates back to the colonial period precisely in 1958 when the sum of US\$28 million was borrowed from the World Bank to finance railway construction (Adepoju, 2017). After gaining independence in 1960, Nigeria continued with her external borrowing. However, within this period, the external borrowing was minimal as most of the loans borrowed were the concessional loans from bilateral and multilateral sources with longer repayment periods and lower interest rates constituting about 78.5 percent of the total debt stock. Within that time also, borrowing was relatively controlled, and the economy which was largely based on agriculture had limited foreign debts (Ekaette, Owan & Agbo, 2019).

The discovery of oil and the oil boom of the 1970s brought significant revenue to Nigeria. However, it also spurred excessive government spending and a shift away from agriculture to a dependency on oil exports (Lola & Oni, 2022). External borrowing increased as the government sought funds to finance ambitious development plans, particularly in infrastructure and industrialization. By the early 1980s, global oil prices declined, leading to a severe economic crisis which adversely affected Nigeria. The country's revenues dwindled and external borrowing increased rapidly to finance budget deficits and support the balance of payments (Bahuli & Bala, 2020). Nigeria's external borrowing began to increase significantly in 1980s under the presidency of Shehu Shagari as many projects included in the Fourth National Development Plan (1981-85) had high import content(Omagbemi, 2016). The plan was based on a foreign exchange inflow of US\$ 30 Billion per annum. The production and consumption patterns that emerged during the oil boom could not be maintained against the background of declining foreign exchange earnings. Instead of addressing this imbalance by changing the production and consumption patterns which began during the oil boom, the federal and state government embarked upon massive external borrowing from the international capital market (Adepoju, 2017). Even before the fall of export income, Nigeria by 1983 had started facing payment difficulties on short term trade credits and consequently trade arrears accumulated. This led to the refinancing agreement of 1983 for Letters of credit amounting to US\$ 2.1 billion.

Outstanding trade debts contracted through open accounts and import bills for collection as at December 31 (1983) were refinanced through issuance of promissory notes (Muhammad, 2018). Payment difficulties increased as the oil price continued to fall and the interest rate had increased in the early 1980s. Many new external loans were borrowed in order to pay the old claims. Oil revenues continued to fall from a high of US\$ 25 billion in 1980 to US\$ 6 billion in 1986. In that year, creditors refused to open new credit lines for imports to Nigeria. From then on, arrears began to accumulate (Muhammad, 2018)..

The trend of external borrowing continued till 2003 when the burden of debt from the loan became heavy on Nigeria such that one of her creditors like the Paris Club demanded \$3 billion annually for debt services payment. The amount of money for debt servicing as quoted by the Paris Club was considered economically unsustainable which prompted the then minister of finance Dr. Ngozi Okonjo-Iweala alongside with former President Olusegun Obasanjo to seek for negotiation with the club. This led to the cancellation of \$18 billion debt for Nigeria in 2005 by the Paris Club and subsequent settlement of some outstanding debts reduced the total external debt of the country substantially (Ojukwu, 2021).

From 2015 to 2023, Nigeria faced numerous economic challenges, including a sharp decline in oil prices, economic recessions and the impacts of the COVID-19 pandemic. These challenges undoubtedly strained public finances, increased fiscal deficits, and heightened the need for external financing to support economic recovery and development. During this period, precisely under the leadership of President Muhammadu Buhari, Nigeria turned to many external lenders, notably China, France, Japan, India, Germany and the International Monetary Fund (IMF), to secure some loans. Debt Management Office revealed that Nigerian government under Muhammadu Buhari took loans from China through the Exim Bank of China at \$3.4 billion, France through the Agence Francaise Development at \$486 million; Japan through the Japan International Cooperation Agency at \$74.6 million; India through the Exim Bank of India, \$34 million and Germany through the Kreditanstalt Fur Wiederaufbua at \$183.74 million, others include; International Bank for Reconstruction and Development; \$410 million, African Development Bank at \$1 billion, Arab Bank for Economic Development in Africa, \$5.88 million; European Development Fund, \$51.33 million; the Islamic Development Bank; \$29.72 million; and the International Fund for Agricultural Development, \$223.28. (Shafiu, Salleh, Bala, Shafiu, & Abdullahi, 2023). In the wake of the COVID-19 pandemic in 2020 Nigeria secured a \$3.4 billion loan from the IMF under its Rapid Financing Instrument (RFI). This loan, which equaled 100% of Nigeria's IMF quota, was meant to help manage the economic fallout from the pandemic, including declining oil prices and the urgent need for budgetary and foreign exchange support . While these external borrowings seems to be appreciated as a good gesture from the lenders, it often comes with conditions, requiring Nigeria to implement specific economic policies/reforms and other austerity measures that have several implications on the country's sustainable development.

Sustainable development as captured by Adebayo (2010) refers to the effort at improving the environment or natural resources for the purpose of improving the quality of human life in such a way that the needs of future generations are not jeopardized. It can also be simply interpreted as a process of meeting present developmental needs without jeopardizing future needs of other

generations. In 2015, Nigeria, alongside with other United Nations member states, adopted the Sustainable Development Goals (SDGs). A set of 17 goals aimed at eradicating poverty, hunger, promoting good health, quality education, establishment of infrastructure, protecting the planet, gender equality, access to clean water and sanitation, affordable and clean energy, ensuring prosperity for all by 2030 among others were formulated (Duran, 2018). To that effect, Ehiorobo (2018) noted that for Africa to achieve the goals of sustainable development, the government must be ready to make substantial investments on critical areas mapped out in the SDGs especially on food security, quality education, healthcare delivery, infrastructural development which are major challenges facing the continent.

Food security especially in the areas of availability, accessibility and affordability of food between the times frame of this study seems to be eluding most Nigerian populace. In the same vein, the country seemingly have failed to actualize the objectives of the Universal Basic Education Programme which in its' provisions gave hope of addressing our educational challenges as contained in the popular failed Millennium Development Goals targets of 2015. Furthermore the availability of quality health care delivery in Nigeria seems to be scanty and spontaneous across the country resulting to record of premature deaths yearly. Finally the needed modern infrastructure that encourages national growth and development seems not to have been fully delivered not minding the huge borrowed by the federal government to accomplish this expectations. Going by this fact, the success of external borrowing to any country in Africa that subscribes to sustainable development goals can be measured by the extent to which the country has fared in managing the debts without compromising or jeopardizing the set goals of the SDGs. This fact seems to have not been ascertained in Nigeria. Although, several studies have been conducted by different scholars on external borrowing, however, while some of the studies focused attention on economic growth, much effort has not been done to the best of my knowledge to look at how it goes with achieving sustainable development goals. It is based on this background that this study becomes imperative to investigate the implications of external borrowing on sustainable development goal targets two, three, four and nine in Nigeria as well identified in the study specific objectives.

On the problem statement, over the years, external borrowing has been a strategy employed by nations to bridge financial gaps, especially in the face of economic challenges or the pursuit of large-scale development projects. In Nigeria, the practice of borrowing externally appears to have been part and parcel of her history ranging from the time of her independence in 1960 till date. Between 2015 -2023 Nigeria secured substantial loans from international lenders. These loans have been justified by the Federal government as necessary for sustaining economic growth, infrastructural development, and stabilizing the economy during periods of recession and instability. However, there are growing concerns about the sustainability of this borrowing strategy and its long-term implications on Nigeria's sustainable development.

External borrowing from external lenders comes with distinct characteristics. The Chinese loans for instance which are often tied to infrastructural projects, accompanied by lower interest rates has been touted to lack of transparency in the process of executing the projects which the loans are tied to. Loans from other lenders such as the African Development Bank, Islamic bank and mostly the IMF are conditioned on strict economic reforms that influence domestic policy. The core problem lies in whether Nigeria's reliance on these external borrowing is promoting or

hindering sustainable development. While it is undisputable that some of these loans have helped to build critical infrastructure, such as railways and power projects, which could potentially boost economic growth in Nigeria. On the other hand, it seems fears that these loans are burdening the country with unsustainable debt, limiting future development opportunities, and undermining economic sovereignty provision of social services which are key components of sustainable development. Furthermore, Nigeria's capacity to manage and service its growing external debt burden poses a significant challenge. This is because the increasing portion of national revenue allocated to debt servicing has limited government spending on essential sectors like food security, quality education, health care delivery, infrastructure development among others.

An instance of this could be seen from the poverty index statistical report of World Bank (2022) which revealed that about 70% of the total population of Nigeria is living in poverty line and the most affected section are the youths. More worrisome is the rate of hunger among the people in Nigeria. Sadeeq, Yusuf & Muhammad (2019), observed that the rate of hunger in Nigeria has resulted to increased children malnutrition because households cannot provide adequate nutrition, leading to the increasing rate of stunted growth and underweight children. At the same time, the National Bureau of Statistics, has also indicated that the rate of hunger in Nigeria has escalated due to food inflation rate which has currently hit a record high of 40.66 per cent in May 2024, surpassing the previous month's 40.53 increase (NBS, 2024). This surge according to them represents the largest year-on-year increase in food prices since records began in 1996.

In terms of education, the case has not been different as government seems to be nonchalant on investing in quality education. Ever since 2015, the budgetary allocation on Education has continued to decline below the 26% minimum required standard of UNESCO's recommendations on investment in education (Bulus, Ifraimu & Sozon, 2022). Structures of many educational intuitions in Nigeria are dilapidated. Teachers are not well remunerated among others. This has resulted in high rate of out of school children and graduation of some students who cannot compete with their peers at the global level (Odigwe & Owan, 2019).

In the area of health care delivery, Nigeria seems to have performed below expectations. The health sector especially since 2015 appears to be in shambles as many hospitals in the rural communities lack quality medical equipments, qualified medical practitioners. This has resulted to the increasing rate of maternal mortality and other avoidable deaths of the teeming population in the country (Bahuli & Bala, 2020). In the area of infrastructure, Nigeria has been categorized as one of the countries in Africa that is battling with infrastructural deficits. There is lack of good road, lack of pipe borne water, lack of stable electricity supply among others (Lola & Oni, 2022). The preponderance of these anomalies prompts critical questions about whether the benefits of these external borrowing outweigh their costs, and whether Nigeria can achieve long-term development goals, such as the United Nations' Sustainable Development Goals (SDGs), under its current debt structure.

1.2 Research Questions

- i. What are the implications of external borrowing on food security in Nigeria?
- ii. To what extent have external borrowing affected quality education in Nigeria?

- iii. What are the effects of external borrowing on primary health care delivery in Nigeria?
- iv. What are the implications of external borrowing on infrastructural development in Nigeria?

1.3. Objectives of the Study

- i. To determine the implications of the external borrowing on food security in Nigeria.
- ii. To find out the external borrowing have affected quality education in Nigeria.
- iii. To examine the effects of external borrowing on primary health care delivery in Nigeria.
- iv. To ascertain the implications of external borrowing on infrastructural development in Nigeria.

1.4 Hypotheses

H₀₁: External borrowing has no significant relationship with food security in Nigeria.

H₀₂: There is no significant long run relationship between external borrowing and quality of education in Nigeria.

H₀₃: There is no significant causality existing between external borrowing and primary health care delivery in Nigeria.

H₀₄: There is no significant long run relationship between external borrowing and infrastructural development in Nigeria.

2. Review of Related Literature

2.1 Conceptual and Contextual Issues

(i) External Borrowing

External Borrowing as a concept has been defined in different ways; International Monetary Fund (2021) defines external borrowing refers to the process by which a country secures financial resources from foreign governments or international organizations to meet its fiscal needs or fund development projects. In the same vein, World Bank (2020) see external borrowing is the acquisition of credit by a nation from foreign lenders, such as international banks or multilateral organizations, typically used to finance infrastructure, budget deficits, or economic reforms. Economic Commission for Africa (2019) on its own defined external borrowing involves obtaining loans or funds from foreign sources, such as international financial markets, foreign governments, or institutions, with the obligation to repay over time. United Nations (2018) maintained that external borrowing is the method by which a government or private sector entity secures funds from international creditors, often to support economic growth, development programs, or address balance of payments issues.

Organization of Economic Community Development (2021) opined that external borrowing represents a financial mechanism through which a country accesses funds from international lenders, which are often employed to boost economic development or fill budgetary gaps. To African Development Bank (2022), external borrowing refers to the financial practice where governments or corporations borrow money from non-domestic sources, typically in the form of bonds, loans, or credits, to fund projects or address shortfalls. Global Development Finance as cited in Omodero & Alpheaus (2019) defined external borrowing is the act of a nation obtaining funds from foreign financial institutions or governments, aimed at financing domestic projects or balancing economic deficits. World Economic Forum (2020) opined that external borrowing is the use of foreign loans or credits by a country or entity to finance specific economic or developmental activities, often with conditions imposed by international lenders. External borrowing refers to a country's decision to finance its economic needs by securing loans from

international entities, such as the IMF or World Bank, often accompanied by repayment terms in foreign currency (UNCTAD, 2020). External borrowing can also be seen as the process in which a country or organization takes out loans from foreign sources to fund economic development or stabilize its fiscal balance, often at international interest rates (International Financial Statistics, 2021).

(ii) Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, are a set of seventeen interconnected global objectives adopted by the United Nations in 2015. They aim to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. (UNDP, 2015)

According to the UNDP report, the SDGs are a universal call to action, urging all countries to address critical global challenges. It is not just for developing countries; they are a universal call for action by all countries including those with high, middle, and low incomes.

The 2030 agenda for Sustainable Development Goals build upon the Millennium Development Goals (MDGs), which were in force from 2000 to 2015.

(iii) History and Provisions of Sustainable Development Goals

Sustainable Development Goals (SDGs) were born at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012. The objective was to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world (UNDP, 2015). The SDGs replace the Millennium Development Goals (MDGs), which started a global effort in 2000 to tackle the indignity of poverty.

The SDGs are also an urgent call to shift the world onto a more sustainable path. The SDGs are a bold commitment to finish what we started, and tackle some of the more pressing challenges facing the world today. All 17 Goals interconnect, meaning success in one affects success for others (Adedokun, 2021). In short, this is the greatest chance to improve life for future generations. The open working group, with representatives from 70 countries, had its first meeting in March 2013 and published its final draft, with its 17 suggestions, in July 2014. Member state negotiations followed, and the final wording of the goals and targets, and the preamble and declaration that comes with them, were agreed in August 2015 (Usen & Udukeke, 2017).

Sustainable development goals have 17 goals which were set to be achieved on or before the year 2030. Some of the goals according to the UNDP (2015) are as follows;

Goal 1. End poverty in all its forms everywhere: Goal one of the sustainable development goals is to ensure that by 2030, extreme poverty is eradicate among people everywhere, currently measured as people living on less than \$1.25 a day. In other words, it will ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture: Goal two of the SDG is to end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

Goal 3. Ensure healthy lives and promote well-being for all at all ages: the aims to end preventable deaths of people including newborns and children under 5 years of age, neonatal mortality. It also aim end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

Goal 5. Achieve gender equality and empower all women and girls: End all forms of discrimination against all women and girls everywhere. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

Goal 6. Ensure availability and sustainable management of water and sanitation for all: By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all: By 2030, ensure universal access to affordable, reliable and modern energy services.

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation: Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Goal 10. Reduce inequality within and among countries: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Goal 12. Ensure sustainable consumption and production patterns: Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.

Goal 13. Take urgent action to combat climate change and its impacts: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and dry lands, in line with obligations under international agreements.

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all

levels: Significantly reduce all forms of violence and related death rates everywhere. It also aim to end abuse, exploitation, trafficking and all forms of violence against and torture of children.

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

2.2 Empirical Review

Different scholars have carried out different studies that are related to the current study. Some of the studies are reviewed hereunder.

Yussuff (2023) investigated external debt and sustainable development in Nigeria (1990-2021). The study adopted *expost-facto* research design. Data for the study were collected using secondary data sourced from CBN publications. Descriptive statistics, OLS regression, unit root test, and appropriate length criteria were used to ensure the reliability and validity of the model. The model was estimated using ARDL. The unit root test (ADF) shows that EXB, debt growth and export debt ratio are stationary at level I(o) while domestic debt, export, external debt, debt overhang are stationary at first difference I(1). The ECM shows that the short-run disequilibrium is corrected at a speed of 75.7% and that the economy will fully adjust to its long-run equilibrium after 2 years. The ARDL of the estimated parameters that the explanatory variables explained about 76% variation in the dependent variable and the whole model was found to be statistically significant ($P = 0.000$). The result indicated that external debt and debt overhang have a negative effect on sustainable development in Nigeria. The study recommends improvement in debt management, increase in internally generated revenue, revenue, prioritizing investment for sustainable development, and negotiating favorable loan terms.

The study though it is commendable but only focused attention on the effects of external debt on sustainable development in Nigeria different from Sustainable Development Goals which is the concern of the current study.

Oriloye & Oni (2022) investigated the effect of external debt on sustainable infrastructural development in Nigeria. The study employed a mixed-methods design. The population of the study was 532, drawn from Public Debt Management, Fiscal Responsibility Commission and Central Bank of Nigeria. Sample size of the study was 228 which were determined using the Taro Yamane sample size determination formula. The study employed structured questionnaire and interviews as its data collection instruments. Data analysis was carried out with the aid of inferential statistics and content analysis. Findings of the study revealed that external debt had significant effect on sustainable infrastructural development in Nigeria. The study concluded that external debt had significant effect on sustainable infrastructural development in Nigeria. Based on the findings, the study recommended that the National Assembly and the Federal Ministry of Finance should ensure that external loans are tied to specific projects. This highlighted study is very relevant to the current study because of its focus on unraveling the effects of external debt on sustainable infrastructural development in Nigeria. The focus of the study is in accordance with this study because infrastructural development is one of the goals of sustainable development and by extension, a variable of the current study. The study is commendable on the ground that it was able to empirically assess the effects of the external debt on the infrastructural development by sampling the opinion of public

officers in the critical areas of the economy such as; public debt management office, fiscal responsibility commission and the CBN respectively. Conversely, the study was criticized on the ground that it did not go deep in studying the indices of sustainable development goals in line with the external debt. As such, infrastructural development cannot be a complete yardstick for measuring how external debt can affect sustainable development.

Ojukwu (2021) investigated effects of external debt on sustainable development in Nigeria. Specifically, the study sought to empirically examine the extent of relationship between external borrowings in achieving Sustainable Development Goals (SDG) 2 – Zero Hunger and SDG 3 – Good Health and Well Being. Secondary data for the period 2003 to 2019 were extracted from publications of Debt Management Office (DMO) of Nigeria, National Bureau of Statistics, International Monetary Fund (IMF) and the World Bank. The study formulated two hypotheses and tested them using Spearman's Rank Correlation tool. The results revealed that there is no significant relationship between external debts and sustainable development in Nigeria. The study further argues that the accumulated external debts in Nigeria are not properly utilized for sustainable developmental projects that reduce the high poverty index and low life expectancy of its populace. It therefore recommends adoption of debt management strategies targeted at gradual liquidation of Nigeria's external debt stock to avoid debt overhang. This should be done through reduction in excessive government spending especially expenditures on non-productive sectors of the economy. Hence, judicious utilization of funds on sustainable projects that reduce poverty level and improve life expectancy should be carried out in order for Nigeria to join other United Nations (UN) member countries on achieving the 17 SDGs by the year 2030. This study is appropriate for the current study. This is because the study was able to examine the effects of external debt on some of the sustainable development goals in Nigeria. It specifically, focused interest in establishing the relationship between external borrowings in achieving sustainable development goal 2 - Zero Hunger and goal 3 - Good Health and Well being which are part of the variables of the current study. Findings of undoubtedly, provides a good reference point for concluding the outcome of the current study. On the other hand, the study is not considered a complete standard for generalizing the effects of external borrowing on sustainable development goals going by the fact that it only focused attention on goal 2 and goal 3 leaving the remaining seventeen goals behind. This identified gap makes the current study necessary.

Omagbemi (2016) investigated external debt and economic growth in Nigeria between 1985-2014. The research design used in this study is the ex-post facto as method of design. Data for the study were gathered from secondary sources through such the Debt Management Office, (DMO) and CBN statistical bulletin. The ordinary least square multiple regression analytical method was- used to analyze the results where EXB as the dependent variable and multilateral debt, Paris club debt, London club debt, promissory notes and others debt on the other hand were the independent variables. T-test and Pearson correlation was used to test the hypotheses. The analysis of the data revealed that all the forms of external debts contributed towards the growth of the EXB, the Pearson correlation explained that EXB had an inverse relationship with Paris club debt and Promissory notes while the dependent variable had a direct relationship with the rest of the independent variables. The hypotheses tested revealed that all the independent variables have a positive impact and are also significant to the effect of the dependent variable there by rejecting the null hypotheses and accepting the alternate

hypotheses. The study concluded that external debts have a significant impact on the economic growth in Nigeria and therefore recommends that there should be an improvement in the management of these external debt borrowings towards sustainable growth. This study is considered relevant to the current study because it was interested in examining the effects of external borrowing on economic growth. The secondary data collected from the debt management office and the CBN statistical bulletin is also a good resource material for understanding the extent to which external debt has affected sustainable development in Nigeria. However, the weakness to the study lies in the fact that it focused attention on economic growth only without making much effort to discuss the 17 goals of sustainable development as specified by the United Nations. This identified gap and more are part of the reason why the current study becomes imperative.

Generally from the empirical review on the gaps, most existing studies on external borrowing have focused attention mainly on its' impact on economic growth in Nigeria. By so doing, no study has been carried out to investigate the Implications of External Borrowing on Sustainable Development Goals between 2015 -2023 specifically in determining the implications of external borrowing on food security, quality education, health care delivery and infrastructural development in Nigeria which is major reason the present study becomes imperative to fill.

2.3 Theoretical Framework

The study is anchored on debt overhang theory as propounded by Krugman (1988). The theory states that when an entity's debt is too large, a time will come when such entity will not be able to take on new debt to fund new projects. Debt overhang reveals a state of affairs in which a country's debt becomes disproportionately huge beyond what the country can repay. (Burhanudin, Muda, Nathan, & Arshad, 2017). Debt overhang theory is widely applied to the understanding of public debt and its implication for an economy. It implies that uncontrolled borrowings can lead to high take on new debt to fund new project. Debt overhang reveals a state of affairs in which a country's debt becomes disproportionately huge beyond what the country can repay (Burhanudin, Muda, public debt which indirectly compromises the ability of the economy to generate enough resources for its repayment.

The relevance of this theory to the study lies in its ability to show the danger of growing external public debt at the expense of the overall health of the Nigerian economy. Krugman (1988) argued that if the possibility exists that the public debt of a country will be larger than what the country can repay, the cost of servicing the debt will slow down investment regardless of whether it is foreign or local. This is because it will discourage investors due to the fact that high public debt burden ordinarily attracts higher tax bills from the government to honour their repayment obligation, and thus, high debt incidence discourages investment in an economy in the long term. Nigeria being among the African countries that have subscribed to the United Nations sustainable development goals (SDGs) is expected to make serious efforts in investing in different critical areas especially in terms of food security, quality education, health care delivery, infrastructural development among others. However, this can be achieved when there are enough funds available. Unfortunately, the increasing rate of Nigeria's debt profile through external borrowing has posed palpable fears as to whether it is possible for Nigeria to overcome

her debts without compromising efforts in achieving the set goals of the sustainable development in the country.

3. Methodology

Data for the study were collected from primary sources. These were basically through academic journals, other relevant materials on the internet and documents from the Debt Management Office as well as the Budget Office of the Federation.

On the Analytical Technique, Multiple Regression using SPSS version 21 was used.

The functional form of the model is as expressed below;

$$EXB = f(FSC, EDU, PHC, IFD) \quad (1)$$

Equation 1 reads that External Borrowing (EXB) is a function of Food Security (FSC), Education (EDU), Primary Health Care (PHC), Infrastructural Development (IFD). In order to capture the influence of the stochastic or random variable, the equation is explicitly transformed as $EXB_t = \beta_0 + \beta_1 FSC_t + \beta_2 EDU_t + \beta_3 PHC_t + \beta_4 IFD_t + U_t$ (2)

Where;

EXB = External Borrowing

FSC = Food Security

EDU = Education

PHC = Primary Health Care

IFD = Infrastructural Development

β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ are Parameter Estimates

U_t = Error Term

4. Data Presentation, Analysis and Interpretations

This section would be devoted to data presentation, analysis and interpretation based on key issues from the research questions.

Unit Root Test

In order to test for the presence or absence of unit root in the data used for the empirical analysis, Augmented Dickey-Fuller (ADF) test was employed and the test result is as presented below:

Table1: Augmented Dickey Fuller Unit Root Test (Trend and intercept)

Variables	ADF @ Level	1 st difference	Critical value (1%)	Critical value (5%)	Order of integration	Remarks
EXB	1.688855	4.181966	4.252879	3.548490	I(1)	Stationary
FSC	2.061691	3.959619	4.374307	3.603202	I(1)	Stationary
EDU	2.182893	5.383777	4.262735	3.552973	I(1)	Stationary
PHC	1.386009	3.995144	4.252879	3.548490	I(1)	Stationary
IFD	2.061691	3.959619	4.374307	3.603202	I(1)	Stationary

Source: Researchers Own Computation (See Appendix II)

From table 1 above, at 5 percent level of significance, none of the variables employed for this regression was stationary at level since by comparison, their critical values was greater in absolute values than their augmented dickey fuller (ADF) test statistics. However, at first difference, all the variables (EXB, FSC, EDU, PHC and IFD) became stationary, Thus, all the

series are stationary and integrated of the first order, $I(1)$, Since the variables are stationary, the Johansen co-integration was conducted to test for the long-run relationship.

Co-integration Result

Co-integration was used to test for the long run relationship between the variables considered. For this purpose, the Johansen co-integration test was adopted. In Johansen's Method, the value statistic is used to determine whether co-integrated variables exist. Co-integration is said to exist if the values of computed statistics are significantly different from zero or if the trace statistics is greater in absolute value than the critical value at 5 percent level of significance. The model with lag 1 was chosen with the linear deterministic test assumption and the result is presented below.

TABLE 2: Unrestricted Co-integration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.709453	61.62307	47.85613	0.0015
At most 1	0.219786	19.59940	29.79707	0.4504
At most 2	0.183586	11.16102	15.49471	0.2018
At most 3 *	0.117883	4.264650	3.841466	0.0389
At most 4	0.183586	11.16102	15.49471	0.2018

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Source: Researchers Own Computation (See Appendix II)

The results of the co-integration in the table above indicated that the trace statistics is greater than the critical value at 5 percent level of significance in two of the hypothesized equations. This confirms that there is at least two co-integrated relationship among the various variables used. In other words, the null hypothesis of no co-integration among the variables is rejected. Hence, we accept that there is a long run relationship between external borrowing and sustainable development variables.

Vector Error Correction Model (VECM)

It has been pointed out earlier that the vector error correction mechanism (VECM) is meant to tie the short-run dynamics of the co-integrating equations to their long-run static dispositions in order to maintain equilibrium. In order to capture the short run fluctuation, the Vector Error Correction Method (VECM) was employed and the result is presented below.

TABLE 3: VECM Result

Included observations: 29 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.	Remark
VECM(-1)	-0.069505	0.015603	-4.454702	0.0001	Reject
D(EXB (-1))	-0.757167	0.226924	-3.336655	0.0029	Reject
D(FSC (-1))	3.194872	1.265129	2.525333	0.0238	Reject
D(EDU (-1))	-2.790382	62.60220	-0.044573	0.9648	Accept
D(PHC (-1))	34.19567	16.70451	2.047092	0.0486	Reject
D(IFD (-1))	3.194872	1.265129	2.525333	0.0238	Reject
C	3133.798	709.2179	4.418667	0.0001	Reject

SOURCE: Researcher's Own Computation (See Appendix II) $R^2 = 0.907809$

D-W = 2.15

 $F(3, 34) = 55.143$, $F^*(P\text{-value}) = 0.000001$

From the table VECM (-1) was consistent by assuming a negative value with a coefficient of -0.069. It suggests that if in the short run variables deviate from equilibrium, they tend to re-adjust themselves back to equilibrium in the long run. The speed of this adjustment is 6.9% per annum. Also reveal was the value for the R^2 which was 0.90 which gives a good fit of the result, shows that 90% the total variations in gross domestic product was as a result of variations in foreign direct investment, interest rate and exchange rate. The remaining 10% are as a result of variables not included in the model. From the result of the VECM presented above, the coefficient of the constant term is 3133.798 implying that when other variables are kept constant Gross Domestic Product (EXB) will stand at 3133.798 units. The coefficient of FSC(-1) is 3.194872 implying that a unit increase in foreign direct investment lagged by one year will bring about an increase in EXB by 3.194872 unit. Similarly, the coefficients of INT (-1) is -2.790382 implying that a unit increase in a year period lag of EDU will bring about a decrease of 2.790382 unit in EXB. At the same time, EXR (-1) has a coefficient of 34.19567 meaning that a unit increase in EXR will bring about an increase of 34.19567 unit in EXB.

LM Serial Correlation Test

The LM serial correlation test is a test of autocorrelation which was conducted to verify the presence of autocorrelation among the variables employed in the study, the results is presented and discussed as below:

Table 4: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.542788	Prob. F(2,26)	0.2327
Obs*R-squared	3.606929	Prob. Chi-Square(2)	0.1647

Source: Researcher's Own Computation (See Appendix II)

From the result above, it could be seen that the LM F-statistics of 1.542788 has a probability value of 0.2327 which is greater than 0.05. Since the P-value is greater than the 0.05 level of significance, the study thus, concludes that there is no autocorrelation in the data series. Hence,

the results obtained can be employed for forecasting purposes.

Granger Causality Test

The Granger causality test is a statistical hypothesis test for determining whether one time series is useful in forecasting another reflected by measuring the ability of predicting the future values of a time series using past values of another time series. In order to capture the causal effect, the granger causality test was employed and the result is presented below.

Table 5: Pairwise Granger Causality

Null Hypothesis:	Obs	F-Statistic	Prob.
FSC does not Granger Cause EXB	34	8.91551	0.0010
EXB does not Granger Cause FSC		1.58375	0.2224

Source: Researcher's Own Computation

From the above computed result, the first hypothesis: FSC does not Granger Cause EXB had a probability values (0.0010) which was less than 0.05. This shows that there is a causal relationship between FSC and EXB. From the second hypothesis, EXB does not Granger Cause FSC with a p-values (0.2224) which was greater than 0.05; this shows that there is no causal relationship between EXB and FSC. Since the p-values f-statistics of the first hypothesis was less than 0.05, the study therefore concludes that there is a uni-directional causality between foreign direct investment and gross domestic product, where the causality runs from FSC to EXB.

4.1. Test of Hypotheses

Hypothesis One

H₀₁: External borrowing has no significant relationship with food security in Nigeria.

H_{A1}: External borrowing has significant relationship with food security in Nigeria.

From the relationship existing between external borrowing and food security in Nigeria as was revealed by the VECM analysis, we observed that the T-statistics was statistically significant, has it has a p-value (0.0238) which was less than the 0.05 level of significant. This shows that External borrowing has significant relationship with food security in Nigeria for the period under review and as such the null hypothesis of no significant impact is rejected.

Hypothesis Two

H₀₂: There is no significant long run relationship between external borrowing and quality education in Nigeria.

H_{A2}: There is a significant long run relationship between external borrowing and quality education in Nigeria.

In testing the null hypothesis Johansen co integration test was used, the result is as presented below;

Trace Stat = 42.02367, 4.264650.
 Critical Value = 27.58434, 3.841466,
 P-value = 0.0004, 0.0389

It could be ascertained that the trace statistics (42.02367, 4.264650) were greater than the critical values (27.58434, 3.841466) at 5% level of significance. Hence, the null hypothesis is rejected

and the study concludes that there is a long run relationship between external borrowing and quality education in Nigeria.

Hypothesis Three

H₀₃: There is no significant causality existing between external borrowing and primary health care delivery in Nigeria.

H_{A3}: There is a significant causality existing between external borrowing and primary health care delivery in Nigeria.

In testing this hypothesis, the output from the causality test was employed

Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
FSC does not Granger Cause EXB	34	8.91551	0.0010
EXB does not Granger Cause FSC		1.58375	0.2224

From the table above, it could be seen that the p-values f-statistics of the first hypothesis (FSC does not Granger Cause EXB) was less than the 5% level of significance. This shows that there is a uni-directional causality between external borrowing and primary health care delivery in Nigeria. Hence, the null hypothesis is rejected.

Hypothesis Four

H₀₄: There is no significant long run relationship between external borrowing and infrastructural development in Nigeria.

H_{A4}: There is a significant long run relationship between external borrowing and infrastructural development in Nigeria.

In testing the null hypothesis Johansen co integration test was used, the result is as presented below;

Trace Stat = 42.02367, 4.264650.

Critical Value = 27.58434, 3.841466,

P-value = 0.0004, 0.0389

It could be ascertained that the trace statistics (42.02367, 4.264650) were greater than the critical values (27.58434, 3.841466) at 5% level of significance. Hence, the null hypothesis is rejected and the study concludes that there is a long run relationship between external borrowing and infrastructural development in Nigeria.

Discussion of Findings

Implications of External Borrowing on Food Security in Nigeria

External borrowing has significant relationship with food security in Nigeria for the period under review and as such the null hypothesis of no significant impact is rejected. Nigerian government has not done much to encourage agriculture especially, between, 2015-2023. This obviously could be attributed to the strains and burdens of external borrowing. Studies shows that an estimated 821 million persons in the world as at the year, 2017, were acutely undernourished, 90 million children underweight, and most South America and sub-Saharan African nations including Nigeria are witnessing severe food insecurity (UNDP Nigeria, 2021). In Nigeria, food insecurity and the resulting malnutrition are on the high increase on daily basis (Yerima & Tahir,

2020). The United Nations has again predicted that 82 million Nigerians which are about 64 per cent of the country's population, may go hungry by 2030, if government do not take concerted efforts to tackle problems of climate change, pest infestations, and other threats to agricultural productivity. Accordingly, the National Bureau of Statistics has also indicated that Nigeria's food inflation rate has hit a record high of 40.66 per cent in May 2024, surpassing the previous month's 40.53 increase (NBS, 2024). This surge according to them represents the largest year-on-year increase in food prices since records began in 1996. Going by these facts, it could be deduced that Nigeria government may not be able to achieve the goal 2 of the SGDs by year 2030 if intentional and aggressive effort is not made to invest in the agriculture in order to achieve food security in the country.

Records from the budget office of the federation, 2024 on budgetary allocation to Agriculture shows from 2015-2023 that it has not exceeded two percent (2%) of the total budget which is not enough to sustain food security in Nigeria.

An effort to ensure that this goal is achieved is by making substantial investment in agriculture. This include, ensuring that the citizens are encouraged to engage in farming, through the provision of soft loans and subsidies for subsistence farming, provision of improved farming inputs such as crops, fertilizers and other agro-allied resources. At the same time, commercial farming must also be encouraged through the provision of tool for mechanized farming among others and creating enabling environment for them to thrive (Ebhotemhen & Umoru, 2019). Yerima &Tahir (2020) indicated that prior to the discovery of oil in commercial quantity in the years immediately before and after independence, agriculture was the backbone of the economy, contributing about 60 - 65% of EXB. According to them, such was achieved simply because government was willing to invest in the sector.

5. Discussion on Results

(i) Implications of External Borrowing on Quality Education in Nigeria

The null hypothesis is rejected and the study concludes that there is a long run relationship between external borrowing and quality education in Nigeria.

This finding agrees with Agbo (2019) who opined that the issue of inadequate education funding and its unavoidable consequences may have been one of the reasons why UNESCO recommends that all developing countries allocate at least 26 percent of their total budget to education. However, this appears to be unrealistic in the Nigerian context going by the amount of funds allocated to education sector on yearly basis. Budgetary allocation to education in Nigeria has been far below the UNESCO benchmark over the years. For instance, since 2015, Nigeria's budgetary allocation to education has continued to fluctuate downwards as follows; 2015 - 9.50%, 2016 - 6.10%, 2017 - 7.38%, 2018 - 7.03%, 2019 - 7.20%, 2020 - 6.70%, 2021 - 5.60%, 2022 - 5.40%, 2023 - 5.30%. These figures are far below the UNESCO benchmark of 26% recommended allocation to education (Ekaette, Owan, & Agbo, 2019).

Education is known to be the most appropriate means of development and transformation to any nation. Bulus, Ifraimu, & Sozon, (2022) noted that the need for education is ever increasing because it is not only an investment in human resources, but also a basic requirement for the nation's overall growth and development.

Unfortunately, educational systems of many countries in Africa like Nigeria are in serious crisis. Offem, Aniah, Agunwa, & Owan (2017) observed that poor funding has been a major factor limiting the attainment of quality education in Nigeria especially as specified in the goal 4 of the sustainable development goals. Also, Ekaette, Owan & Agbo (2018) indicated that there is perennial crisis of funding and lack of definite structures and strategies in the education sector in Nigeria. According to them, many schools in Nigeria currently do not function effectively as it regards to achieving quality education because they lack the necessary resources and facilities. As a result, the products of our educational system fall short of societal expectations when compared to the global standards.

(ii) Implications of External Borrowing on Health Care Delivery in Nigeria

Findings on this shows that there is a uni-directional causality between external borrowing and primary health care delivery in Nigeria. Hence, the null hypothesis is rejected.

This corresponds with the reports from the budget office of the federation 2024 on budgetary allocation to health indicates fluctuations in the government funding to the health sector from 2015 to 2023. There are upward trends as compared to other sectors on the percentage of the total budget. The 1.95% in 2023 budget allocation is too poor for that year to tackle numerous health challenges in the country.

Health is a state of complete physical, mental and social well-being and or absence of infirmity. Health outcome are changes in health that result from measures or special health care investment or intervention (Ikenna, 2018). Also, is a change in the health of an individual, group of people, or population that is attributable to an intervention or series of intervention (World Health Organization, 2015). According Sustainable Development Goals (SDGs) the health outcome of every country proxy by life expectancy can be determined by persistence decrease in the rate of under-five mortality, maternal mortality and prevalence of severe disease such as HIV/AIDS among others. All over the world, health care delivery is regarded as a major contributing factor underlying people's health. In fact, the World Health Organization has declared that the ultimate goal of health care delivery is "better health for all". Consequently, international research has shown that countries with strong health care delivery are recording lower rates of hospitalization, lower mortality and morbidity rates, and better health outcomes generally (Akinseye, 2020). Health care delivery is an indicator of the welfare status of every economy. This is the reason why health sector is primarily established for the prevention of disease, and improvement of living standard of the people. In developing countries, the health sector is facing challenges especially that of financing the inputs that will produce the required outcome.

(iii) Implications of External Borrowing on Infrastructural Development in Nigeria

On this finding, the null hypothesis is rejected and the study reveals that there is a long run relationship between external borrowing and infrastructural development in Nigeria.

Infrastructure can be defined as the fundamental facilities and systems serving a country, city, or area, including the services and facilities necessary for its economy to function (Lola & Oni, 2022). It typically include technical structures such as roads, bridges, tunnels, water supply, sewers, electrical grids and telecommunications, among other and can be defined as "the physical components of interrelated systems providing commodities and services essential to

enable, sustain, or enhance societal living conditions. Okpalaoka, (2021) observed that investment in infrastructure is one of the metrics used to evaluate elected leaders' accomplishments and is a necessary component of a strong democracy. In western democracies, enthusiasm for infrastructure development is more significant when compared to developed countries as obtainable in Africa especially in Nigeria.

Unfortunately, in Nigeria, infrastructural facilities are in short supply while those in existence are in dilapidated condition. This is why the Department of Public Affairs in the U.K. recommended that a dedicated office handle infrastructural project commencement. Nigeria's infrastructural profile, like that of any developing nation, is unremarkable. Housing conditions are deplorable on theoretical and practical levels (Festus & Amos, 2015; Oyedele, 2006). The majority of facilities are now frail and in desperate need of repairs and renovations. Government is the structure that plans, organizes, governs, and oversees a region's residents, ensuring that everyone has affordable living environment and a sense of belonging.

According to Okpalaoka (2021) lack or mismanagement of resources was part of the reason why governments of Nigeria was unable to initiate infrastructure project on a faster pace to meet the demands.

6. Summary, Conclusion and Recommendations

Arising from the data presentation, analysis and interpretations, the study gives the summary, conclusion and recommendations.

On the **summary**, external borrowing has negative implication on food security in Nigeria. Evidence of this can be seen from the increasing rate of hunger and inflation on the prices of food in the country. Nigeria government has not made any serious effort to invest on food security in readiness to achieving the goal 2 of the sustainable development goal which aims to eradicate any form of hunger among the citizens by the year 2030. This fact has been greatly attributed to the burden of debt servicing resulting from external borrowing in the country. Hence the government has focused much attention more on maintenance and servicing her debts other than investing in the agriculture to boost food security.

External borrowing has negative implication on quality education in Nigeria. Evidence of this can be seen from the fact the education sector lacks funding. Ever since 2015 -2023, the percentage of budgetary allocation or expenditure on education has continued motivated teachers. This fact can be attributed to the heavy load of debt servicing from external borrowing to dwindle downwards as; 2015 - 9.50%, 2016 - 6.10%, 2017 - 7.38%, 2018 - 7.03%, 2019 - 7.20%, 2020 - 6.70%, 2021 - 5.60%, 2022 - 5.40%, 2023 - 5.30%. These figures are far below the UNESCO benchmark of 26% recommended allocation to education. The resultant effect of this has reflected on low quality education in the country. Majority of the school structures are utterly dilapidated, there are outright lack of teaching and instructional materials as well as lack of motivated teachers. This fact can be attributed to the heavy load of debt servicing from external borrowing.

External borrowing has negative implication on health care delivery in Nigeria. Evidence of this can be seen from the fact that the health sector in Nigeria has been in shambles. There is absence of standard government hospitals in the country. Some of the hospitals in existence lack necessary medical facilities that can promote health care delivery in the country. The medical personnel are not well paid and that is why majority of them are leaving the country on daily basis. The

government has failed to invest in the health sector. Every year, the health workers continue to go on strike among others. These occurrences can be attributed to the huge burden of external borrowing in the country. This is because, some the huge amount of money that are often allocated for debt servicing could have been channeled to the health sector in order to improve health care delivery in the country.

External borrowing has negative implication on infrastructural development in Nigeria. This can be justified from the fact that Nigeria as country lack standard infrastructural facilities. There is absence of good road network, lack of effective railway stations, lack of stable electricity, pipe borne water, telecommunications among others. Although huge funds have been allocated for the purpose of infrastructural development in Nigeria but the progress has always been marred by funds being misused and embezzled by the administration in power, coupled with most of those infrastructures and facilities not yielding positively or expected benefits.

Conclusion

From the study, it has been obsessive that external debt is one of the strategies applied by countries especially developing ones to meet up with their financial inadequacies in order to fund her development projects and promote economic growth. Nigeria as one of the most populous country in Africa has severally ventured into external borrowing over the years. While these borrowing has been justified by the government as a means to funding development projects in the country, means of repaying those loans has raised curiosity about how Nigeria can comfortably pay back without it effects jeopardizing other aspects of development in the country. It is based on this fact that this study becomes imperative as it unraveled the implications of external borrowing on Nigeria's sustainable development (2015-2023) specifically on the study's targeted goals two, three, four and nine. However, going by the available literature reviewed and data analyzed, it can be concluded that external borrowing has negative implications on food security, quality education, health care delivery and infrastructural development in Nigeria.

Recommendations

Based on the findings made in the study, the following recommendations were given:

1. Since external borrowing creates national debt and debts servicing negatively impacts in the actualization of the sustainable development goals on food security, quality education, health care delivery and improved infrastructure in Nigeria, the government must at all times identify and work out the intent of loan before it is contracted.
2. Nigeria government should use the vast raw and mineral resources as exchange for capital in pursuing the actualization of sustainable development goals targets instead of setting for external borrowing since most of these external lenders like china largely depend on those raw and mineral resources for their industrial and economic growth.
3. Projects to which the external loans are contracted must be able to pay itself back within the period stipulated. Financial resources saved as a result would be utilized to tackle the SDG targets as identified in this study.
4. Loans externally borrowed by Nigerian government should be well or meaningfully utilized. Where fraudulent practices infiltrates loans capital utilization and management, it would

impact negatively the actualization of these sustainable development goal targets as objectively highlighted in this study.

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APPENDIX 1

Budgetary Allocations to Health (Nbn)

Year	Allocation	As % of the total budget
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2015	23,708, 292, 076	2.6%
2016	25, 068,331, 604	6.04%
2017	21,522,991,846	6.81%
2018	25,439, 034,004	6.08%
2019	18,438, 211, 385	3.99%
2020	20, 485, 439,817	3.49%
2021	24,446, 356, 851	3.47%
2022	24,057, 826, 307	2.91%
2023	22,765,143, 570	1.95%

Source: Budget Office of the Federation, 2024

APPENDIX 11

Budgetary Allocations to Agriculture (Nbn)

Year	Allocation	As % of the total budget
2015	40,659,020,717	1.41%
2016	75,806,548,275	1.25%
2017	135,545,345,061	1.82%
2018	203,010,092,743	1.89%
2019	107,218,344,102	1.20%
2020	160, 458,311,029	1.48%
2021	179,458,329,208	1.92%
2022	215,871,348,902	1.88%
2023	228, 432,267,119	1.32%

Source: Budget Office of the Federation, 2024

APPENDIX 111

Amount in million Dollars

YEAR	Federal Government	State Government	Total External Debt	Growth in External Debts
2011	3,538.08	2,128.50	5,666.58	
2012	4,181.76	2,345.31	6,527.07	15.19%
2013	6,045.10	2,776.80	8,821.90	35.16%
2014	6,482.27	3,229.18	9,711.45	10.08%
2015	7,383.56	3,334.87	10,718.43	10.37%
2016	7,871.47	3,534.81	11,406.28	6.42%
2017	14,830.03	4,083.41	18,913.44	65.82%

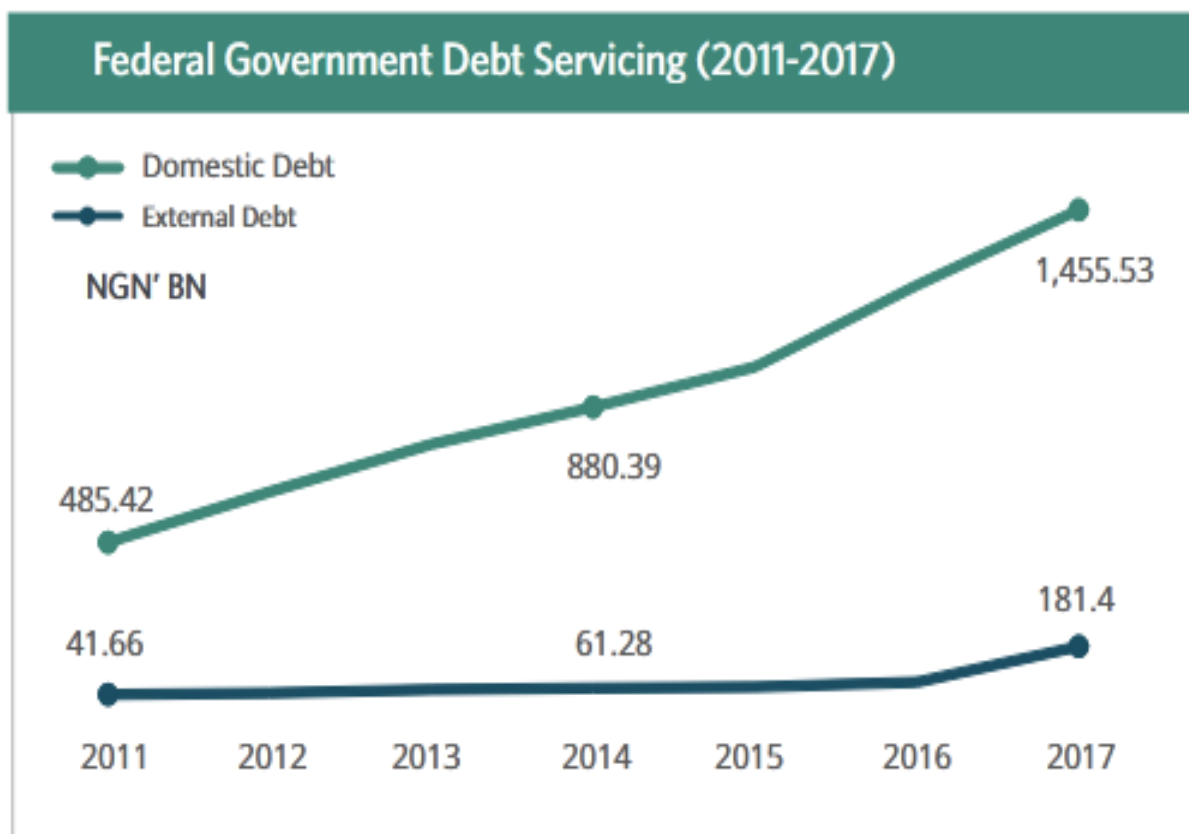
Source: Debt Management Office

External Debt by Lenders (as of June 2018.)

CATEGORY	AMOUNT IN MILLION DOLLARS	PERCENTAGE
World bank	8,473.10	
African Development Bank	2,410.60	
Multilateral	10,883.70	49.28%
China (Exim Bank of China)	1,913.07	
France (AFD)	274.98	
Japan (JICA)	74.69	
India (Exim Bank of India)	4.76	
Germany (KFW)	132.24	
Bilateral	2,399.74	10.87%
Eurobonds	8,500.00	
Diaspora Bond	300	
Commercial	8,800.00	39.85%
TOTAL	22,083.44	100%

Source: DMO, Budget Research

APPENDIX IV



Federal Government: Debt Servicing to Total Revenue, NGN Billions

Year	Total Revenue (Inflow)	Debt Servicing	Ratio
2011	2,566.67	527.07	20.54%
2012	3,131.09	679.28	21.69%
2013	3,500.47	828.10	23.66%
2014	3,242.30	941.67	29.04%
2015	3,240.24	1,060.39	32.73%
2016	2,947.44	1,313.46	44.56%
2017	2,657.67	1,636.93	61.59%
2018	N/A	2,013.84*	N/A
2019	N/A	2,144. 01*	N/A

Source: Budget office, Budget Research