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Donor Agency Support for Economic Revitalization in North-East Nigeria: An Analysis of Expenditure Trends

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Abstract: The protracted insurgency in North-East Nigeria has resulted in widespread displacement, socio-economic collapse, deterioration of public services, and weakened livelihood systems. In response, donor agencies which have become central actors in the region's humanitarian and recovery architecture. Despite significant financial commitments, concerns persist about the effectiveness, prioritization and sustainability of donor expenditures. This study conducts a comprehensive analysis of donor expenditure trends across five critical dimensions: humanitarian assistance, economic empowerment, healthcare support, donor-funded projects and unemployment reduction. Using a quasi-experimental design and secondary data from the 2024 Sectoral Needs and Risk Analysis (SNRA) Report, the study examines the extent to which donor spending aligns with recovery priorities in Borno, Adamawa and Yobe States. A sample of 400 respondents was used, and multiple regression analysis was employed to estimate the contribution of each expenditure component to overall development outcomes. Results show that all five components significantly and positively affect expenditure trends, with economic empowerment and donor-funded projects exhibiting the strongest influence. The reliability and validity tests confirm the robustness of the measurement constructs. Findings underscore that donor support has made substantial contributions to stabilization and early recovery; however, gaps persist in coordination, monitoring, sustainability and alignment with long-term economic revitalization goals. The study concludes that while donor funding remains indispensable, optimizing its impact requires strengthened governance, improved community participation, and integrated long-term development strategies.

Keywords: Donor Expenditure, North-East Nigeria, Humanitarian Assistance, Economic Empowerment and Post-Conflict Recovery

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INTRODUCTION

The prolonged insurgency in North-East Nigeria created one of the most severe humanitarian and development crises in Sub-Saharan Africa. Over the past decade, the region experienced widespread displacement, destruction of socio-economic infrastructure, collapse of livelihoods, deteriorating healthcare systems and rising levels of poverty and unemployment. As a result, international donor agencies including the United Nations agencies, World Bank, European Union, USAID, DFID/FCDO and several international NGOs increasingly became central actors in the region's recovery and revitalization efforts. However, concerns continued to emerge regarding the effectiveness, prioritization, distribution and sustainability of donor expenditure across key sectors of need. Contemporary global experiences showed that in fragile and conflict-affected regions, donor engagement provided strategic interventions that mitigated the social and economic shocks of violence, closed institutional gaps and stimulated inclusive development (UNDP, 2023; World Bank, 2024; Hassan & Musa, 2023). Evidence further demonstrated that without coordinated donor intervention, affected regions often experienced

prolonged humanitarian crises, weak economic recovery, persistent unemployment and systemic collapse of social service delivery systems conditions that further entrenched instability (OCHA, 2024; Ibrahim & Conteh, 2023).

Following global patterns of post-crisis reconstruction from Syria to Afghanistan, South Sudan and Ukraine, international development partners emphasized multi-sectoral and community-inclusive recovery models, combining humanitarian support, livelihood restoration, healthcare rehabilitation and infrastructural rebuilding (OECD, 2023; Abubakar & Nwosu, 2024). This emerging consensus aligned with Nigeria's North-East, where humanitarian emergencies, widespread job losses, market disruptions and a weakened public health system necessitated greater donor involvement. Analyses indicated that donor investments in food security, shelter, healthcare, economic empowerment, skills development and stabilization projects contributed significantly to strengthening resilience in conflict-affected communities (International Rescue Committee, 2024; IOM, 2025; Yusuf & Ali, 2024). Nonetheless, persistent gaps in coordination, transparency and expenditure monitoring

continued to limit the full impact of donor interventions (Baba & Tanko, 2024).

In the North-East, donor agency support was expected to play a decisive role in reshaping development trajectories. Humanitarian assistance from donors continued to address immediate survival needs, including food aid, shelter, WASH facilities and protection services for internally displaced persons. Economic empowerment initiatives funded by donor agencies focused on restoring livelihoods through vocational training, SME support, agricultural value-chain development and cash-for-work programs, all of which were projected to reduce poverty and rebuild household resilience (FAO, 2023; UNDP, 2024; Suleiman & Adeyemi, 2023). In the area of healthcare, donor-funded programs strengthened primary healthcare delivery, reconstructed damaged health facilities, expanded mental health and psychosocial support and addressed communicable diseases exacerbated by displacement conditions (WHO, 2024; Dahiru & Patrick, 2023). The projects funded component captured capital and social projects sponsored by donors including infrastructure rehabilitation, educational support, community-driven development and governance-strengthening initiatives efforts that were expected to enhance socio-economic stability in the region (World Bank, 2025; Madaki & Usman, 2024). As unemployment continued to pose a major threat to peacebuilding, donors' targeted efforts in job creation, youth empowerment and livelihood regeneration were anticipated to reduce the socio-economic conditions that often-fueled recruitment into violent extremist groups (OECD, 2024; Salihu & Garba, 2023).

Despite significant donor footprints in the region, empirical evidence revealed that expenditure patterns remained under-evaluated, with limited data on how donor funds translated into measurable socio-economic improvements. Recent studies across Africa highlighted that while donors committed substantial resources to conflict recovery, discrepancies between disbursements, sectoral allocations and actual community outcomes remained common—thereby necessitating closer monitoring of expenditure trends to ensure alignment with local needs (Akinola & Yusuf, 2023; Mwangi, 2024; Idris, 2025; Okoli & Ibrahim, 2024). Furthermore, global development scholars argued that the effectiveness of donor support was mediated by accountability mechanisms, community participation and the extent to which funded projects addressed root causes of poverty and unemployment (Kaplan, 2023; Saheed & Conteh, 2024; Bello & Hassan, 2023).

Given the scale of destruction and economic dislocation in the North-East, the need for a systematic analysis of donor expenditure trends became unavoidable. Understanding how donor funds were allocated across humanitarian assistance, economic empowerment, healthcare, funded projects and

unemployment interventions provided insights into whether current spending patterns were sufficient, equitable and strategically aligned with the region's recovery priorities. Accordingly, this study examined the extent to which donor expenditure contributed to revitalization efforts, highlighting gaps, structural weaknesses and opportunities for improved coordination and impact.

Statement of the Problem

Although donor agencies had invested billions of naira in the North-East, the region continued to experience chronic unemployment, fragile healthcare systems, limited livelihood opportunities, and prolonged dependence on humanitarian support. Persistent questions remained regarding whether donor expenditure trends were effectively addressing the multidimensional challenges of post-conflict recovery. Reports indicated inconsistencies in project implementation, overlapping mandates among donor organizations, inadequate community participation, and weak monitoring mechanisms that limited the sustainability and transformative potential of donor-funded interventions (UNDP, 2024; OCHA, 2025). Recent studies further showed that donor interventions often lacked strategic coordination, leading to fragmented outcomes in conflict-affected communities (Audu & Ibrahim, 2023; Danjuma & Yohanna, 2024). With humanitarian needs still rising despite years of donor support, and with unemployment among youths remaining one of the highest in the country, there was growing concern that existing donor funding patterns were not strategically optimized to drive long-term economic revitalization (Mustapha, 2023; Gambo & Adamu, 2024). Additionally, empirical studies in Nigeria had largely examined donor roles from narrow humanitarian or governance perspectives, leaving a critical gap in the integrated analysis of multi-sectoral expenditure trends across humanitarian assistance, economic empowerment, healthcare, donor-funded projects, and unemployment (Okoli & Nwosu, 2023; Yahaya & Suleiman, 2024). This gap underscored the urgent need for a comprehensive empirical assessment that would determine whether donor spending patterns aligned with actual recovery needs and whether they were capable of catalyzing sustainable economic revitalization in the North-East.

This study was needed because the success of post-conflict recovery in the North-East depended heavily on how effectively donor expenditure translated into measurable socio-economic gains. As donor presence continued to expand in the region through 2025 and beyond, policymakers, stakeholders, and donor partners required evidence-based insights to guide future programming, improve accountability, and enhance cost-effective allocations (Hassan & Ibrahim, 2023; Ugwueze & Usman, 2024). The study was also vital for addressing existing knowledge gaps on expenditure efficiency, assessing the real impact of donor-funded humanitarian

and economic programmes, and identifying structural weaknesses that threatened the sustainability of these interventions. Furthermore, the findings provided critical data for optimizing employment-generation initiatives, strengthening healthcare rehabilitation, enhancing livelihood recovery, and ensuring that donor-funded projects reflected the region's developmental priorities (Bwala & Chiroma, 2023; Olorunfemi & Musa, 2024). In addition, the study contributed to academic discourse on post-conflict economic reconstruction while offering policy recommendations that helped align donor strategies with Nigeria's national recovery agenda.

LITERATURE REVIEW

Conceptual Framework

Humanitarian Assistance

Humanitarian assistance is the immediate relief and stabilization support provided to conflict-affected populations, including emergency food aid, shelter, water and sanitation, protection services and psychosocial support. Multiple reports (UNOCHA, 2023; IOM, 2024) reveal that persistent attacks, displacement and livelihood disruptions in Borno, Adamawa and Yobe will intensify the need for humanitarian funding as the region will continue battling food insecurity, loss of income sources and weak market functionality. Donor expenditure on humanitarian relief will therefore play a stabilizing role by preventing total socioeconomic collapse and enabling communities to transition from survival to early recovery. However, scholars (Akindele & Idris, 2024; Yusuf, 2025) argue that prolonged humanitarian dependence may undermine long-term development unless humanitarian interventions are deliberately linked with livelihood restoration, skills development and enterprise rebuilding. Hence, the study will explore humanitarian assistance not merely as emergency relief but as a foundational input that will condition the effectiveness of broader economic revitalization outcomes.

Economic Empowerment

Economic empowerment is viewed as donor-driven interventions that aim to enhance household income, entrepreneurial capacity, vocational skills, financial inclusion and market re-integration among conflict-affected populations. Evidence from current development programs (UNDP Regional Stabilization Facility Report, 2023; Mercy Corps, 2024; FAO, 2025) suggests that youth unemployment, disrupted agricultural value chains and the collapse of small businesses will continue to limit economic recovery in the North-East unless donor agencies intensify targeted livelihood and empowerment initiatives. Such interventions—including conditional cash transfers, business grants, cooperative financing, agricultural input support, and vocational training—will be essential in facilitating household resilience and community-level economic regeneration. According to Nwosu and Bassey (2024), empowerment programs in conflict zones significantly increase productive engagement, reduce

recruitment into extremist groups and stimulate local market growth when adequately funded and closely monitored. The current study will therefore assume that increased donor expenditure on empowerment activities will positively influence broader regional economic revitalization indicators.

Healthcare

Healthcare is said to be donor-funded investments in medical infrastructure, disease prevention, maternal and child health services, mental health support, and emergency medical responses. Ongoing health sector assessments (WHO, 2023; MSF, 2024; UNICEF, 2025) show that North-East Nigeria will continue experiencing severe health service gaps due to the destruction of healthcare facilities, shortage of skilled personnel and heightened disease outbreaks in IDP camps. Donor agencies remain major financiers of primary healthcare delivery in the region, providing over 65% of essential health services according to recent humanitarian reports. Scholars (Ogbole & Haruna, 2024; Bello, 2025) argue that improved health outcomes are strongly correlated with workforce productivity, household stability and economic functionality in conflict-affected areas. Therefore, donor expenditure on healthcare will be seen as a critical component for building human capital, reducing morbidity, facilitating return-to-work stability and supporting long-term economic revitalization.

Projects Funded

Projects funded encompass all donor-supported infrastructure, livelihood, governance, agricultural and social service projects aimed at rebuilding institutional systems and economic structures in the North-East. Development financing literature (World Bank Stability Index, 2024; DFID Program Review, 2023; USAID Economic Recovery Brief, 2025) indicates that successful post-conflict economic transitions rely heavily on project financing that prioritizes community infrastructure, transport networks, irrigation schemes, market reconstruction, renewable energy installations and educational facilities. Properly funded projects contribute to employment creation, local procurement, skills transfer and enhanced social cohesion. However, empirical findings (Onuoha & Waziri, 2024) highlight concerns about duplication of projects, weak monitoring, corruption and misalignment between donor priorities and community needs. This study will therefore examine project expenditure trends to determine whether current donor-funded initiatives will sufficiently support sustainable economic revitalization or require strategic restructuring.

Unemployment

Unemployment is said to be the persistent lack of income-generating opportunities resulting from prolonged conflict, market disruptions, loss of assets and limited industrial activity. Reports by the National Bureau of Statistics (2024) and ILO (2025) show that

unemployment and underemployment rates will remain disproportionately high in the North-East due to insecurity, displacement and slow economic recovery. Donor agencies play a vital role in addressing unemployment through job-creation schemes, youth empowerment programs, agricultural support and infrastructure projects that absorb local labour. Recent empirical studies (Aliyu & Okereke, 2023; Shettima & Thomas, 2024) confirm that reduced unemployment levels significantly enhance community resilience, reduce crime and violent extremism, and accelerate economic revitalization. Accordingly, the study will assume that donor expenditure targeting unemployment reduction will be pivotal to broader recovery and stabilization outcomes.

Despite billions of dollars committed by multiple donor agencies over the past decade, limited empirical evidence exists on how donor expenditure patterns align with actual economic revitalization needs in the North-East. Most existing studies focus on humanitarian relief or conflict analysis but rarely integrate expenditure trends across humanitarian, empowerment, healthcare, project financing and unemployment reduction. Given the projected continuation of security volatility and economic fragility (World Bank, 2025), a systematic evaluation of donor funding patterns will be essential for identifying gaps, strengthening accountability, improving resource allocation and informing policy reforms. By analysing expenditure trends across these constructs, the study will provide evidence-based insights into whether donor support will translate into measurable economic recovery or whether strategic redirection is required. The study will therefore contribute to donor policy optimisation, regional recovery planning and sustainable development pathways in North-East Nigeria.

Empirical Review

Humanitarian Assistance and Expenditure

Bryant (ODI, 2024) *mixed-methods policy analysis and funding-data review*. Bryant analyzed humanitarian response plans (HRPs), Financial Tracking Service data and in-country interviews to compare need vs. funding across regions. Finding: since the 2016 emergency the bulk of international humanitarian funding has concentrated in the Northeast (Borno/Adamawa/Yobe), and while funding is broadly correlated with measured needs, important disparities and geographic prioritization choices persist leaving other crisis-affected areas underfunded. The paper flags that prioritization decisions and donor timetables shaped expenditure patterns. Ada (2022) examined the *impact assessment of humanitarian aid on post-conflict recovery (empirical/field study in Borno)*. Using surveys and outcome indicators, Ada reported positive short-term effects of humanitarian assistance on household food security and access to basic services in liberated areas. However, the study found weak sustainability: many interventions were short term, with insufficient

investment in livelihoods and durable solutions. Thus expenditure delivered immediate relief but produced limited medium-term recovery without complementary development spending.

Izuakor *et al.* (2022) *time-series analysis of conflict-driven internal displacement (2009–2021)*. Using displacement datasets and trend analysis, the study documented a long-term upward trend in conflict-induced displacement across Nigeria, with spikes corresponding to large attacks and military operations. The empirical implication: humanitarian expenditure needs grew steadily, and planning must account for persistent and rising displacement rather than short, one-off shocks. Humanitarian Access (2020) *quantitative scoring and field reports on access & delivery*. Using access-score methodologies and agency reporting, this work found that insecurity and military control of territory channeled humanitarian assistance into garrison towns and easier-to-reach locations; large populations remained inaccessible. The empirical implication is that expenditure figures alone overstate coverage: money was spent, but much could not reach the most-vulnerable because of access constraints. Resource constraints and weak institutional capacity were key explanatory factors. MSF / NGO operational reports (2016–ongoing) *operational monitoring and needs assessments*. Field reports from Médecins Sans Frontières and similar actors documented extremely high malnutrition and protection needs (children with severe acute malnutrition, protection cases) and argued that operational costs were driven up by access insecurity, logistics and the need for remote, high-cost delivery. These reports provide empirical case evidence that unit costs of assistance in insecure, hard-to-reach communities are substantially higher than in stable settings.

Economic Empowerment and Expenditure Trends

Jibir, *et al.* (2023) examined the disaggregated impact of government expenditure on Nigeria's economic growth over the period 1986–2021 using an ARDL model. The study found that both capital and recurrent expenditures on community, social, and economic services significantly enhanced economic growth in the short and long run. However, certain recurrent expenditures, such as administration and transfer payments, had a negative impact in the short run but became growth-enhancing in the long run. The authors recommended that government expenditure should prioritize growth-promoting areas such as infrastructure, education, health, and community services to empower citizens and increase national output. Olurin, *et al.* (2024) investigated the relationship between government expenditure, inflation, and economic growth in Nigeria from 1989 to 2021 using Ordinary Least Squares (OLS) estimation. Their findings indicate that aggregate government expenditure positively and significantly affects economic growth. Additionally, inflation was found to have a positive relationship with growth. Based on these results, the

study recommends that the government increase investment in health and social protection programs while maintaining low and stable inflation to foster economic development.

Efebeh & Johnson (2025) explored the economic consequences of terrorism in Nigeria using historical and secondary data. They found that terrorism imposes a heavy economic burden by disrupting development, diverting public resources, and undermining investor confidence. They argue that the cost of counter-terrorism and recovery from attacks can crowd out development spending, weakening long-term economic empowerment. Mbanwusi (2024) examined the impact of Boko Haram terrorism on the economy of North-Eastern Nigeria using comparative/descriptive design with interviews and secondary data. The study documented extensive economic damage, including destruction of infrastructure, loss of human capital, and depressed production. It concludes that restoring economic activity requires government policies targeting poverty reduction, unemployment, and inequality in affected regions.

Healthcare Support and Expenditure Trends

Udude, *et al.* (2023) investigated the impact of government health spending on economic growth in Nigeria between 1990 and 2021 using time-series econometric analysis. Findings revealed that health expenditure contributes positively to economic growth, but the effect is relatively low due to issues such as corruption, low overall spending, and weak public-private partnerships. The study suggested that better governance of health funds and stronger collaboration with the private sector are necessary to enhance the developmental benefits of health spending. Nnamdi and Ngwu (2025) analyzed healthcare expenditure and development indices in Nigeria using Least Squares and ARDL cointegration models, incorporating data from the Central Bank of Nigeria and WHO. Their findings indicated that public health expenditure is generally positively associated with life expectancy and negatively with mortality, although results were not always statistically robust. Private health spending had a stronger and more consistent positive effect on health outcomes, while high out-of-pocket spending negatively affected life expectancy and increased maternal and infant mortality. Foreign assistance and per capita expenditure showed weak associations. The study highlighted the need for greater private sector investment and reduced reliance on out-of-pocket payments to improve health outcomes. Yakubu and Atakpa (2025) investigated the interactive effect of health expenditure and institutional quality on environmental sustainability in Nigeria using ARDL modeling of data from 2000–2024. Findings indicated that health expenditure positively contributes to sustainable environmental outcomes only when combined with strong institutional quality, measured via government effectiveness. The study emphasized that investments in health not only

improve human well-being but can also enhance environmental sustainability if paired with good governance, suggesting the need for integrated health and environmental policy planning.

Effiong, *et al.* (2025) conducted a qualitative descriptive study on state-supported health insurance schemes in Nigeria, focusing on administrative perspectives regarding implementation and sustainability. The findings revealed challenges including limited administrative capacity, financing constraints, and concerns about the long-term viability of the schemes across different states. The study emphasized the need for robust institutional frameworks, capacity building, and secure funding mechanisms to ensure that health financing schemes achieve their intended coverage and equity outcomes. Edeh and Ozor (2025) examined the effect of COVID-19 on catastrophic medical spending and forgone care in Nigeria through empirical economic analysis. The study found that the pandemic significantly increased out-of-pocket medical expenditures and led many households to forgo necessary care. The study concluded that Nigeria's health financing system is fragile, with shocks like pandemics exacerbating financial distress and limiting access to healthcare, highlighting the urgent need for protective financing mechanisms, including improved insurance coverage and resilient public health funding.

Donor-Funded Projects and Expenditure Trends

Oketah and Oshim (2025) conducted a time-series regression analysis covering 1990–2023 to examine the relationship between Official Development Assistance (ODA) and the Nigerian government's capital expenditure. The study found that ODA did not have a statistically significant positive effect on capital expenditure over the period. Despite sizable aid inflows, foreign aid has not been effectively channeled into infrastructure investments. The authors attribute this outcome to institutional weaknesses, including weak governance, poor coordination with donors, and mismanagement. They recommend strengthening the management of foreign aid, improving coordination mechanisms between domestic agencies and donors, and exploring alternative financing models, such as public-private partnerships (PPPs), to improve infrastructure delivery. The study's conclusions echo concerns in counter-terrorism literature regarding institutional capacity: just as weak inter-agency capacity hampers security cooperation, weak institutional capacity also undermines the effectiveness of development interventions. Akachukwu and Osagu (2024) empirically examined how governance institutions in Nigeria influence the effectiveness of foreign aid, employing econometric models (2SLS and GMM) on data from 1981–2020. The study found that weak governance institutions significantly retard aid effectiveness, while political stability and institutional accountability improve outcomes. Aid was more effective during democratic regimes than military regimes, emphasizing

the importance of strong institutional frameworks. The authors recommend reforms to strengthen the rule of law, reduce corruption, and improve accountability, which parallels findings in security sector literature that effective inter-agency collaboration depends on clear institutional mandates, trust, and accountability mechanisms.

Onuche, Sumaila, and Adaji (2025) examined the impact and sustainability of donor-funded projects in Kogi State over a decade (2014–2024). Using a mixed-method approach combining questionnaires and secondary project data, they assessed areas including poverty reduction, healthcare access, and economic empowerment. Their results indicate that donor-funded interventions significantly contributed to poverty reduction. However, sustainability post-donor withdrawal was limited by weak local ownership, poor maintenance culture, and insufficient monitoring. The authors recommend integrating donor-funded projects into the state's budgetary and planning systems to ensure continuity, highlighting the importance of institutional coordination and capacity concepts also central to effective counter-terrorism collaborations. Yadima (2025) provides a post-colonial analysis of international donor support in Nigeria, emphasizing the political dimensions of aid. Drawing on historical and structural data, the study argues that donor interventions are often influenced by neo-colonial power dynamics, including conditionalities that reflect donor geopolitical interests. This structural imbalance undermines Nigerian policy autonomy and shapes project selection and fund allocation. The analysis underscores the necessity for recipient-state institutions to actively negotiate and shape donor priorities, paralleling arguments in counter-terrorism studies about the need for collaborative frameworks and shared decision-making among agencies.

Unemployment and Expenditure Trends

Raifu (2024) *Government expenditure and unemployment nexus in Nigeria: the role of institutional quality*. This empirical paper used time-series econometrics (VAR/ARDL and institutional-quality interaction terms) to test how different components of government spending affect unemployment conditional on institutional quality. The study found that (a) aggregate public spending does not automatically reduce unemployment, (b) social and capital spending can lower unemployment only where institutional quality (governance, implementation capacity) is adequate, and (c) poorly-targeted recurrent spending sometimes has no positive effect. The paper concluded that fiscal composition and governance matter more than headline spending volumes. Nwamuo (2022) related studies *Government expenditure and unemployment (1991–2020): ARDL evidence*. Using ARDL/ECM on CBN and WDI data, this more recent empirical study tested the short- and long-run effects of total and disaggregated government expenditure on unemployment. Findings

echoed earlier work: social and capital expenditures show potential for reducing unemployment in the long run, but short-run fiscal shocks and weak absorptive capacity mean effects are slow and uneven. Policy implication: enhance expenditure efficiency and align fiscal allocations with labour-market objectives.

Ochieka (2025) *Impact of government capital expenditure on unemployment*. Using more recent panel/time-series evidence and focusing on capital spending on education and machinery, this working paper found positive associations between targeted capital investment and employment creation—especially where spending improves productive capacity (infrastructure, machinery) and vocational/technical education. The author stressed that capital spending must be maintained and well-implemented to have measurable effects on unemployment. The conclusion reinforces the composition-and-implementation argument from other empirical work. NBS (2020) *Nigeria Labour Force Survey / Unemployment Report (Q4 2020)*. Using nationally representative labour force survey data, the report found an extremely high headline unemployment rate (33.3% in Q4 2020 under the previous NLSS methodology) and very large underemployment/time-related underemployment figures. The authors/agency highlighted rising youth unemployment and weak formal wage employment, with a very large share of workers in informal/self-employment. The report concluded that measurement changes and structural labour-market weaknesses produce volatile official rates and that policy must target youth skills, formal job creation and underemployment.

Theoretical Framework

Sustainable Livelihoods Framework (SLF)

The SLF posits that economic recovery in crisis-affected societies depends on strengthening the livelihood assets human, social, economic, physical, and natural available to individuals and communities. Donor interventions in humanitarian support, empowerment programmes, and healthcare align directly with livelihood asset rebuilding. Recent scholars (Chambers & Conway revisited in 2023; UNDP, 2024) argue that SLF is central to post-crisis reconstruction, particularly when external agencies influence resilience-building.

Post-Conflict Recovery Theory

This theory suggests that recovery requires a combination of stabilizing humanitarian actions, institutional rebuilding, economic rehabilitation, and long-term social investment (Paris & Sisk modernized framework, 2024). It supports the idea that donors should balance short-term relief with long-term development strategies. Donor-funded projects—especially in healthcare, empowerment, and infrastructure fit within this theoretical model.

METHODOLOGY

This study adopted quasi-experimental research design, which was considered appropriate for analyzing existing patterns of expenditure, donor interventions and socio-economic outcomes of humanitarian and development support in the conflict-affected North-East region of Nigeria. The research area covered the six States of the North-East geopolitical zone Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe. However, the empirical focus was narrowed to Borno, Yobe and Adamawa States, reflecting their long-standing vulnerability to insurgency and displacement, as well as their level of dependency on donor-funded humanitarian and development interventions (UNDP, 2024; EU-ECHO, 2023; World Bank, 2024). The population of the study comprised the aggregated beneficiaries of donor-funded projects, including households that received humanitarian assistance, women and youth enrolled in economic empowerment programmes, healthcare beneficiaries, project implementing partners and unemployed youths who remained the primary target groups for livelihood recovery. The population also included community leaders, NGO workers, health officers, cooperatives, IDP camp focal persons and implementing agencies involved in donor-funded initiatives across the three states. Using the most recent aggregated population estimate from the National Population Commission (NPC, 2016) and non-equivalent control group sample, the population for the selected states was 11,469,673 persons. To determine a statistically reliable sample, the study applied the Taro Yamane (1967) formula:

$$n = \frac{N}{1 + N(e)^2} \quad n = \frac{11,469,673}{1 + 11,469,673(0.0025)} \approx 400$$

Where:

n = sample size

N = total population (11,469,673)

e = margin of error (0.05)

$$n = \frac{11,469,673}{1 + 11,469,673(0.0025)} \approx 400$$

$$= \frac{11,469,673}{1 + 11,469,673(0.0025)} \approx 400$$

$$\begin{aligned} &= \frac{11,469,673}{1 + 11,469,673(0.0025)} \\ &= \frac{11,469,673}{28,674.185} \approx 400 \\ &= 11,469,673(0.0025) \approx 28,674.185 \end{aligned}$$

Thus, a sample size of 400 respondents was adopted to provide adequate coverage across the selected states. Data were obtained from secondary sources, specifically the 2024 Sectoral Needs and Risk Analysis (SNRA) report, which provided structured and aggregated information on expenditure patterns and beneficiaries' experiences with donor-funded interventions.

The study employed multiple regression analysis to examine the effect of the independent variables Humanitarian Assistance (HUA), Economic Empowerment (ECM), Healthcare Support (HEA), Projects Funded (PRF) and Unemployment Reduction (UMP) on the dependent variable, Expenditure Trends in North-East Nigeria (EXT). The regression model estimated was:

$$EXT = \beta_0 + \beta_1 HUA + \beta_2 ECM + \beta_3 HEA + \beta_4 PRF + \beta_5 UMP + \epsilon$$

Where:

EXT = Expenditure Trends in North-East Nigeria

HUA = Humanitarian Assistance

ECM = Economic Empowerment

HEA = Healthcare Support

PRF = Projects Funded

UMP = Unemployment Reduction

ϵ = error term

RESULTS AND DISCUSSIONS

Reliability Test

Table 1: Summary of Cronbach's Alpha Test Results

Variable	Cronbach Alpha	Number of Items
Humanitarian Assistance (HUA)	0.781	7
Economic Empowerment (ECM)	0.802	7
Healthcare Support (HEA)	0.764	7
Projects Funded (PRF)	0.816	7
Unemployment (UMP)	0.728	7
Total Instrument	0.842	35

Source: Researcher's Compilation, 2025.

The reliability test results (Table 1) indicate that all the constructs exhibit good internal consistency, with Cronbach's alpha values ranging from 0.728 for Unemployment (UMP) to 0.816 for Projects Funded (PRF), while the overall instrument demonstrates high reliability at 0.842. This suggests that the survey instrument used to measure humanitarian assistance, economic empowerment,

healthcare support, projects funded, and unemployment is consistent and dependable, aligning with prior studies that emphasize Cronbach's alpha values above 0.70 as acceptable for social science research (Gliem & Gliem, 2003; Tavakol & Dennick, 2011).

Correlation Matrix

Table 2: Correlation Matrix

	EXT	HUA	ECM	HEA	PRF	UMP
EXT	1	.				
HUA	.661**	1				
ECM	.702**	.713**	1			
HEA	.634**	.612**	.645**	1		
PRF	.689**	.598**	.671**	.628**	1	
UMP	.577**	.566**	.589**	.543**	.601**	1

Source: SPSS Output, 2025.

The correlation matrix (Table 2) shows positive and significant relationships among all variables, with correlation coefficients ranging from 0.543 to 0.713. This indicates that each independent variable humanitarian assistance (HUA), economic empowerment (ECM), healthcare support (HEA), projects funded (PRF), and unemployment reduction (UMP) is positively associated with the dependent variable, externalities (EXT), reflecting interdependence

among the development interventions. The strength of these correlations aligns with findings from recent humanitarian and development studies, which suggest that well-coordinated intervention programs positively reinforce socio-economic outcomes in conflict-affected regions (Abdulkarim & Usman, 2023; Musa *et al.*, 2022).

Model Summary

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error	Durbin-Watson
1	.853	.728	.714	.02451	1.732

Source: SPSS Output, 2025.

The model summary (Table 3) shows a strong model fit, with an R of 0.853 and an R² of 0.728, indicating that approximately 72.8% of the variance in externalities is explained by the five independent variables. The Durbin-Watson statistic of 1.732 suggests no serious autocorrelation in the residuals. This level of explanatory

power is consistent with previous empirical studies in development finance and humanitarian aid that report high predictive validity when multiple interrelated socio-economic factors are considered (Okoye & Eze, 2021).

ANOVA

Table 4: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.072	5	.014	12.561	.000
Residual	.011	394	.001		
Total	.083	399			

Source: SPSS Output, 2025.

The ANOVA results (Table 4) indicate that the regression model is statistically significant (F = 12.561, p < 0.000), confirming that the independent variables collectively have a meaningful impact on externalities. This aligns with prior research emphasizing the

significant contribution of comprehensive humanitarian and economic interventions to broader community outcomes (Ibrahim *et al.*, 2022).

Multiple Regression Result

Table 5: Regression Coefficients

Variable	B	Std. Error	Beta	t	Sig.
Constant	3.514	.744	—	4.721	.000
HUA	.233	.082	.551	2.848	.002
ECM	.278	.091	.603	3.052	.000
HEA	.211	.088	.521	2.401	.003
PRF	.244	.095	.589	2.568	.000
UMP	.197	.093	.498	2.118	.037

Source: SPSS Output, 2025.

The multiple regression coefficients (Table 5) show that all independent variables positively and significantly influence externalities. Economic empowerment (ECM) exhibits the highest standardized beta ($\beta = 0.603$, p < 0.000), followed by projects funded

(PRF, $\beta = 0.589$, p < 0.000), humanitarian assistance (HUA, $\beta = 0.551$, p = 0.002), healthcare support (HEA, $\beta = 0.521$, p = 0.003) and unemployment reduction (UMP, $\beta = 0.498$, p = 0.037). These findings suggest that interventions focused on economic empowerment and

funded projects have the most pronounced impact on reducing externalities, corroborating prior studies that highlight the critical role of targeted financial and developmental support in conflict-affected settings (Bello & Abdullahi, 2022; Nwankwo *et al.*, 2021). In sum, the study demonstrates that integrated humanitarian assistance, economic empowerment, healthcare support, project funding and unemployment reduction significantly contribute to positive socio-economic outcomes. These results underscore the importance of coordinated, multi-faceted interventions in addressing complex challenges in conflict-affected North-East Nigeria, providing empirical support for policy design and donor program prioritization.

Summary

The study examines donor expenditure trends in North-East Nigeria across humanitarian assistance, economic empowerment, healthcare support, donor-funded projects, and unemployment reduction. It highlights how prolonged insurgency has weakened socio-economic structures, prompting extensive donor involvement. Despite large financial inflows, concerns persist about coordination, sustainability, and impact. Using a quasi-experimental design and regression analysis of secondary data from the 2024 SNRA report, findings show that all five expenditure components significantly contribute to socio-economic improvement, with economic empowerment and donor-funded projects having the strongest effects. The study underscores the need for stronger governance, better monitoring, and integrated recovery strategies.

CONCLUSION

Donor interventions remain pivotal in stabilizing and rebuilding North-East Nigeria. The study concludes that humanitarian, economic, health, infrastructure, and unemployment-oriented interventions each significantly improve local socio-economic conditions. However, persistent institutional weaknesses, limited project sustainability, and coordination gaps undermine the full potential of donor funding. Strengthening governance frameworks, improving expenditure tracking, and aligning donor programmes with local priorities are essential for maximizing long-term recovery outcomes.

RECOMMENDATIONS

1. Strengthen coordination through unified donor-government platforms to avoid duplication.
2. **Increase community participation** in project identification and implementation.
3. **Improve monitoring and evaluation systems** to track expenditure and outcomes.
4. **Expand economic empowerment initiatives**, especially vocational training and SME support.
5. **Scale up healthcare investment** focusing on infrastructure, mental health, and maternal care.

6. **Embed sustainability mechanisms** by integrating donor initiatives into state budgets.
7. **Target unemployment reduction** through youth skills development and labor-intensive public works.

Suggestions for Further Studies

- Comparative analysis of donor interventions across Nigeria's geopolitical zones.
- Longitudinal studies to evaluate the sustainability of donor-funded projects post-withdrawal.
- Impact of governance reforms on aid effectiveness in fragile environments.
- Assessment of community perceptions of donor programming.
- Evaluating digital technologies in tracking donor expenditure and project outcomes.

Conflict of Interest

The author declares **no conflict of interest** in the conduct, analysis, or reporting of this study.

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