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EFFECT OF REVENUE GENERATION DIVERSIFICATION ON FINANCIAL MANAGEMENT PERFORMANCE IN NIGERIA METEOROLOGICAL AGENCY

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Abstract

This study investigates the effect of revenue generation diversification on public financial management (PFM) performance in the Nigeria Meteorological Agency (NiMet), focusing on donor funding and international partnership, and is anchored on Resource Dependence Theory (RDT), which advocates reducing over-reliance on a single income source. Using a survey research design, data were collected from a stratified random sample of 356 out of 1,714 staff, with 331 valid responses analyzed through Ordinary Least Squares (OLS) multiple regression. The findings indicate a significant negative effect of donor funding and a significant positive effect of international partnership on PFM performance. The study concludes that while revenue diversification can support financial sustainability, the strategic design and implementation of donor fundings require reassessment to ensure alignment with institutional objectives. This study recommends optimizing international partnership funding to better support organizational goals and enhancing transparency and reinvestment mechanisms in donor funding. The implications suggest that public institutions must balance external income-generating initiatives with efficient internal revenue strategies to strengthen financial management performance.

Keywords: Revenue Generation, Diversification, Donor Funding, International Partnership, Public Financial Management.

Introduction

In Nigeria, public sector agencies have historically relied heavily on government allocations, primarily derived from oil revenues. This dependency has exposed these agencies to fiscal vulnerabilities, especially during periods of oil price volatility. The Nigeria Meteorological Agency (NiMet), tasked with providing critical meteorological services, is no exception. The need to diversify revenue sources has become increasingly apparent to ensure the agency's financial sustainability and operational efficiency. Revenue diversification has emerged as a pivotal strategy for state-owned tertiary institutions to bolster their financial sustainability amidst declining government funding and escalating operational costs. Financial sustainability, as conceptualized by Vara-Miguelet al, (2023), entails the ability of an institution to maintain financial health over the long term, ensuring the provision of quality education and services without compromising future generations' needs. This involves efficiently managing financial resources, generating sufficient revenues to cover costs, and having the capacity to invest in future growth and development (Miguelet al, 2023).

Diversification of revenue generation is a strategic approach to mitigate the risks associated with over-reliance on a single income source. By exploring alternative revenue streams such as donor funding and partnerships, public agencies like NiMet can improve their financial autonomy. This approach aligns with broader fiscal reforms in Nigeria aimed at enhancing revenue mobilization and reducing fiscal deficits. For instance, the World Bank emphasizes the importance of diversified revenue generation to finance Nigeria's development agenda, highlighting the need for improved tax administration and broader tax bases (World Bank, 2022). To achieve this financial sustainability, institutions have increasingly turned to revenue diversification, which involves broadening the income base beyond traditional sources such as government funding and tuition fees. This includes securing private donations, grants, endowments, entrepreneurial activities, and forming partnerships with industry (Bernon et al, 2016). Among the strategies employed, increasing tuition fees has been a primary approach.

Benson (2022) opined that, effective public financial management (PFM) is integral to the success of revenue diversification efforts. PFM encompasses budgeting, expenditure control, and financial reporting, which are essential for accountability and transparency. A study Wakasa and Peter (2022) investigated the effect of funding diversification on the financial performance of nongovernmental organizations in Kenya Red Cross Society and found that funding diversification such as donor funding and charity event positively and significantly affected financial performance of Red Cross Society in Kenya. Understanding these dynamics is crucial for formulating policies that enhance the financial sustainability and service delivery of public institutions like NiMet. The primary objective of this research is to examine the effect of revenue generation diversification on financial management performance in Nigeria Meteorological Agency (NiMet). Thus, the secondary objectives are to examine the effect of donor funding on financial management (PFM) performance in NiMet and the effect of international partnership on financial management (PFM) performance in NiMet.

Based on the stated objectives, the following hypotheses are proposed:

H01: There is no significant effect of donor funding on financial management (PFM) performance in NiMet.

H02: There is no significant effect of international partnership on financial management (PFM) performance in NiMet.

Concept of Revenue Diversification

According to Ayodele et al. (2023), diversification is a corporate strategy that entails developing a new product for the target market while simultaneously growing into sectors or industries in which the company does not already compete. This risk management technique combines a variety of investments. Financial diversification is the process of arranging resources in such a way that exposure to any one asset or risk is reduced. It is a risk-reduction strategy that divides investments among numerous financial products, sectors, and other classifications. Diversification is a typical strategy for minimising risk or volatility, which can be achieved by investing in a variety of assets. Every economy is constructed on the banking sector, and healthy, functioning economies necessitate a diverse, prosperous, and stable financial system (Nisar et al. 2018).

According to Anyachebelu (2024), revenue diversification refers to the strategy of broadening an organization's income base beyond its traditional or primary sources of funding. For state-owned tertiary institutions, this typically involves supplementing government funding and tuition fees with additional revenue streams to enhance financial sustainability and stability (Nik-Ahmadet al, 2019). The objective of revenue diversification is to mitigate financial risks associated with reliance on a limited number of funding sources, which can be volatile and insufficient to meet growing operational costs and investment needs (Anyachebelu, 2024).

Revenue diversification, as opined by scholars, such as Meslier, et al. (2015) and Marwa & Aziakpono (2015) refers to the deliberate strategy of expanding an entity's income portfolio by developing multiple and distinct streams of revenue. This approach is grounded in the principle of risk reduction, whereby dependence on a single or limited source of income is minimized, thereby enhancing financial stability and resilience in the face of economic or operational uncertainties. By leveraging varied revenue channels whether from fees, services, grants, or market-based activities organizations are better positioned to adapt to fluctuating financial environments and sustain their operations over time.

Furthermore, revenue diversification is increasingly viewed as a proactive measure for ensuring long-term sustainability, particularly in response to declining traditional funding sources or increased competition for resources (Jaafar et al., 2023; Zhou & Wang, 2021). Scholars argue that a well-diversified income structure not only strengthens financial autonomy but also enhances strategic flexibility, allowing entities to invest in innovation, scale operations, and fulfill their mandates more effectively (Nyarko, 2023). As such, revenue diversification is not merely a financial tactic but a core component of strategic planning for organizational survival and growth.

Donor Funding

Donor funding serves as a vital financial lifeline that enables the execution of developmental and humanitarian projects that might otherwise be impossible due to limited internal resources. As Jimmy-Akinpitan (2023) notes, such funding not only supports program implementation but also promotes sustainability when aligned with effective internal controls. Moreover, the emphasis by Ndibaru and Ongwae (2023) on financial accountability underscores that donor funding is not just about receiving money it involves responsibility, transparency, and trust between donors and recipients. Zeleniya and Richard (2024) further strengthen this argument by pointing out that without sound financial risk management, donor funds are vulnerable to misuse, threatening both project outcomes and future donor confidence. Therefore, donor funding must be accompanied by robust governance frameworks to ensure its intended impact is fully realized. Donor funding is defined as financial support provided by external entities such as international agencies, governments, or philanthropic organizations to non-governmental organizations, aimed at facilitating the implementation of programs and activities that align with donor objectives and societal needs (Wakasa & Peter, 2022).

International Partnership

The concept of international partnership involves collaboration among entities from different countries to achieve shared goals. These collaborations can take various forms, including joint ventures, research collaborations, development programs, and global initiatives, often aimed at addressing complex, transnational issues such as economic development, health, education, environmental sustainability, and technological innovation (Chandra, 2024). According to Jabłoński (2019), international partnerships involve collaborations between organizations, governments, businesses, or institutions across different countries to achieve common goals. These partnerships leverage the strengths, resources, and expertise of the involved parties to address global challenges, promote development, and foster innovation. It is also integral to areas such as economic development, education, research, healthcare, infrastructure, and environmental sustainability.

Furthermore, Andoni et al. (2019) defined international partnerships as collaborative efforts that leverage the combined strengths of diverse entities to address global challenges, promote sustainable development, and foster innovation. They are essential for tackling complex issues that transcend national boundaries and require coordinated action on a global scale. European Union (2021) see international partnerships and projects are strategic collaborations between organizations, institutions, or governments from different countries aimed at achieving mutual goals. The partnerships leverage shared resources, expertise, and capabilities to address complex global challenges and promote sustainable development.

Public Finance Management

According to Flynn and Pessoa (2014) public finance management refers to the frameworks and processes that governments use to plan, direct, and control financial resources, ensuring accountability, transparency, and efficiency in public sector financial operations. Shah (2007) was of the view that public finance management is the implementation of policies and practices that govern the collection and use of public funds, ensuring that they are managed effectively, transparently, and in a manner that promotes fiscal responsibility and economic development. Bature and Ikerionwu (2019) see public Finance Management (PFM) as the processes, policies, and institutions by which the Nigerian government collects, allocates, and manages public funds to promote economic development, ensure fiscal discipline, and provide public services efficiently. According to Ogundele, et al. (2013) PFM in Nigeria involves the mechanisms and systems for budgeting, revenue generation, expenditure management, and financial reporting, aimed at achieving transparency, accountability, and sustainability in government financial operations.

Olurankinse and Adetula (2016) defined PFM as the system of financial practices, including budgeting, accounting, and auditing, used by the government to ensure that public funds are managed responsibly, transparently, and in accordance with legal and regulatory frameworks. Okoroafor and Nweke (2014) concluded that public finance management in Nigeria involves the strategic planning and execution of financial policies and programs aimed at optimizing the use of public resources to achieve economic stability and development. According to Salawu and Asaolu (2010) PFM is the discipline that deals with how the government manages its income and expenditures to ensure fiscal prudence, accountability, and the provision of public goods and services. In the view of Oyedele and Ogundipe (2014), public Finance Management in Nigeria encompasses the methods and strategies employed by the government to mobilize, allocate, and utilize financial resources to meet public needs and foster economic development.

Empirical Review

Wakasa and Peter (2022) examined the effect of funding diversification on financial performance of non-governmental organizations in Kenya. Stakeholder theory and resource dependency theory were adopted to anchor the study. A descriptive research design was used in this research. The population of the study were the 10 Kenya Red Cross Society departments in Nairobi. The unit of observation was the 389 employees in these departments. Sample size was 198 employees stratified according to their departments. Primary data was collected using questionnaires. The questionnaires were administered through emailing as well as drop and pick later method. Upon collection of the data, it was coded in quantitative format so as to enable analysing through use of statistical package for social sciences (SPSS) version 24. Descriptive and inferential statistics generated were presented in tables and figures. The results indicated that funding diversification positively and significantly affected financial performance. This study concluded that funding diversification is an essential practice for NGOs to use in their endeavor to improve on their financial performance. The study recommended that management of NGOs should implement funding diversification in their operations to enhance financial performance.

Jimmy-Akinpitan (2023) examined the effect of donor funding and internal control on the financial sustainability of NGO's in Jos Metropolis of Plateau State. Self-administered questionnaire was used while the collected data was based on 285 respondents from five NGOs in Jos metropolis. Data was analyzed using frequency table, charts and graphs, three hypotheses were formulated and tested using Statistical Package for the Social Sciences (SPSS) analysis tool with Multiple Regression, one way ANOVA and Krukal statistical tools were employed to test the hypothesis, The result of the study revealed that poor management of financial control, the inconsistency of donor funding, and poor community involvement are among factors that affect the sustainable funding of NGOs in Jos. The study concluded that funding in NGO's is a challenge and that proactive community involvement, diversification of income sources, good donor relationship management, capacity building, and government involvement are among the best practices to ensure sustainability of NGOs in Nigeria. The study recommended among others that management and policymakers should ensure that their organizations do not rely on donor funds alone. But should make concerted effort to internally generate funds, so that Poor internal control, proper retirements of donor fund will not affect the financial sustainability's lifespan of NGOs.

Ndibaru and Ongwae (2023) assessed the relationship between financial accountability practices and financial sustainability of donor funded projects in Kiambu County, Kenya. The specific objectives of the study were; to examine the influence of financial monitoring, financial planning, financial control and fund utilization on financial sustainability of donor funded projects in Kiambu County. Descriptive research design was used in the study. The target population included managerial staffs which will be a total of 360 head office heads and sub county heads in the Kiambu. Stratified random sampling was used to arrive at target group while simple random sampling was carried out get the sample size. The sample size was 52.5% of the target population which was 189 respondents. Data was collected using Questionnaires. The results indicated that the independent variables (Financial monitoring, financial planning and financial control) statistically influenced sustainability of donor funded projects in Kiambu County significantly. The study further revealed that fund utilization effect on financial sustainability of donor-funded projects was positive but insignificant. The study concluded that the organization was able to achieve financial monitoring through employing competent and qualified staff, having proper maintenance of organization's records and clear segregation of duties to ensure that there is oversight and review for timely identification and eradication of errors. The study recommended that the management and stakeholders of non-profit organizations to ensure that; financial management practice is properly put into practice, proper financial planning is done to relevant stakeholders in time to develop trust among the stakeholders, financial control is practiced so as to ensure that proper financial management is done in the organizations and projects are constantly monitored and risks assessed prior to project implementation.

Sambo and Fumba (2020) assessed the effects of partnering on organizational productivity in manufacturing firms in Adamawa State, Nigeria. The objective was to; determine the effects of partnering on organization and goal setting, examine the relationship between partnering and performance feedback in manufacturing firms in Adamawa State, Nigeria. The population of the study was 515 staff of the selected manufacturing firms in Adamawa State, Nigeria. The sample size of 450 was obtained using Yamane (1963) formula, proportionate stratified sampling techniques was used to select the respondents in each of the manufacturing firms. Data were collected using questionnaire. The study found that partnering had a positive effect on organizational goal setting in selected manufacturing firms, in Adamawa State. Nigeria. Partnering had a significant positive relationship between partnering and performance feedback in manufacturing firms in Nigeria. The study concluded that partnering is indispensable for long time strategic relationship. The study recommended that management should continually and continuously deign effective partnering, that achieve organizational productivity.

Oladele and Anne (2023) study examined the impact of a strategic partnership on the business outcomes of the Apapa, Lagos-based Dangote Sugar Company (DSC). The study used hybrid estimation method, using both descriptive statistics and an estimate based on logistic regression. Two hundred and thirty-eight (238) of the 250 respondents who were randomly chosen to fill out the survey did so. More than half of consumers are happy with the quality of goods owing to our strategic relationship, and the majority of respondents disagreed with the notion that the company's production quota has not greatly grown since the agreement. The number of partners, however, has a detrimental effect on organizational performance, whereas outsourcing and joint ventures both have beneficial effects. The study's findings suggested that businesses should prioritize developing strategic relationships as a management priority if they want to boost their overall corporate performance and, perhaps, their profits. For cooperation to run well, strong leadership and a fair method for allocating responsibility are necessities.

Njoroge and Mbugua (2017) examined the effect of strategic alliance on financial performance of Postbank financial partners: The objectives of the study were to; determine the short term, medium term and long-term effect of strategic alliance on revenue performance, cost efficiency and profitability of the Postbank financial partners. The Resource Based Theory, resource dependence theory anchored the study. The sample targeted financial statements for the one, three and five years prior to and after strategic partnering for the ten partners. The study was descriptive design targeting Postbank's ten financial partners. Document analysis was used to collect data from bank statement of financial performance and statements of comprehensive income during the period 2000-2016. Data was analysed using Statistical Packages for Social Sciences (SPSS) version 23. Descriptive statistics was used. The study found out that strategic alliances have a positive effect on revenue and profitability and no effect on cost efficiency of Postbank financial partners. The study recommended that Postbank financial partners should increase their network of branches countrywide to attract new customers to open new accounts and in so doing increase their deposits.

Theoretical Framework

Resource Dependence Theory (RDT), developed by Jeffrey Pfeffer and Gerald R. Salancik in their seminal work The External Control of Organizations: A Resource Dependence Perspective (1978), posits that organizations are not self-sufficient but depend on external resources to survive and function effectively. These dependencies create uncertainty and potential vulnerabilities, which organizations must manage by diversifying resource streams, forming strategic alliances, or exerting control over key resource providers (Pfeffer & Salancik, 1978; Hillman, Withers, & Collins, 2009). A major strength of RDT is its emphasis on the strategic actions organizations can take to manage environmental pressures and resource constraints, making it particularly relevant in public sector contexts where funding sources are often limited. However, the theory has been critiqued for placing too much emphasis on external control while downplaying the role of internal dynamics, innovation, and capability development (Casciaro & Piskorski, 2005).

In the context of the Nigeria Meteorological Agency (NiMet), RDT offers a relevant framework for analyzing how diversification of revenue through donor funding, international partnership, and other internal income streams can enhance public financial management (PFM). By reducing dependency on singular government subventions or unpredictable funding sources, NiMet can improve its financial autonomy and operational resilience, consistent with RDT's assertion that reducing dependence enhances stability and control (Provan, 1980; Davis & Cobb, 2010). This theoretical lens supports the study's findings that strategic diversification contributes to stronger PFM performance, as it aligns with the RDT principle that broadening the resource base is critical for navigating fiscal uncertainties and achieving long-term organizational effectiveness.

Methodology

This research employs a survey design using structured questionnaires to gather data. This study population comprises of all staff members of Nigerian Meteorological Agency (NiMet). The Nigerian Meteorological Agency (NiMet) has a total of one thousand seven hundred and fourteen (1,714) workforces (Human Resource Department, NiMet, 2024). A stratified random sampling technique was adopted in the study. The random sampling ensures that units of the sample are selected on the basis of chance and all units have an equal chance to be included in the sample. Under this study, the population was stratified into homogeneous strata, where every element was given equal opportunity of being selected.

The Yamane (1967) sample formula was used in the determination of the sample size for the study and it is based on the formula:

Where:

n = sample size;

N = population size;

e= Level of precision required;

1 = constant

In determining the sample size, the following variables were used:

Confidence interval = 95 %

e = Margin of error = 0.05

Substituting into the formula,

n=1714/(1+1714(0.05)^2)

n=1714/(1+1714(0.0025))

n=1714/(1+4.285)

n=1714/5.285

n=324

The computed necessary sample size is, therefore, determined to be 324 respondents. However, in order to address possible non-response problems, common with empirical studies of this nature, this number is increased by 30% to 356 according to Israel (2013).

Data collection involved a two-month period using both physical and electronic questionnaires, and the instrument's validity was established through pilot testing and expert reviews, while reliability was confirmed with Cronbach's Alpha coefficients ranging from 0.760 to 0.803. The analysis employed Ordinary Least Squares (OLS) multiple regression to examine the relationship between revenue generation and public finance management performance, providing a framework for hypothesis testing and data-driven policy recommendations, with OLS being chosen for its robust and efficient statistical properties.

Data Analysis

Out of 356 distributed questionnaires to staff at the Nigerian Meteorological Agency (NiMet), 331 were fully completed and returned, resulting in an effective response rate of 93.0%, while 25 copies were not returned, accounting for 7.0%.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PFPM	331	1.00	5.00	3.7456	.70509
DF	331	1.00	5.00	2.8262	.61107
IP	331	1.00	5.00	3.7927	.71160
Valid N (listwise)	331				

Source: SPSS version 26

Table 1 presents the descriptive statistics for three key variables: Public Financial Management Performance (PFMP), Donor Funding (DF), and International Partnership (IP), based on data from 331 respondents. The mean score for PFMP is 3.75 with a standard deviation of 0.71, indicating a relatively high and consistent perception of financial management performance. Donor Funding has the lowest mean of 2.83 and a standard deviation of 0.61, suggesting a lower and less varied experience or access to donor funding among the respondents. International Partnership shows the highest mean of 3.79 with a standard deviation of 0.71, reflecting a generally strong and moderately consistent level of international collaboration. All variables are measured on a 5-point scale, with minimum and maximum values ranging from 1.00 to 5.00, and the sample size (N) remains consistent across all variables, ensuring comparability.

Table 2: Correlations

		PFPM	DF	IP
PFMP	Pearson Correlation	1	-.069	.306**
	Sig. (2-tailed)		.211	.000
	N	331	331	331
DF	Pearson Correlation	-.069	1	.088
	Sig. (2-tailed)	.211		.109
	N	331	331	331
IP	Pearson Correlation	.438**	.119*	.357**
	Sig. (2-tailed)	.000	.030	.000
	N	331	331	331

Source: SPSS version 26

Table 2 presents the correlation analysis among Public Financial Management Performance (PFMP), Donor Funding (DF), and International Partnership (IP) based on a sample of 331 respondents. The Pearson correlation coefficient between PFMP and DF is -0.069, indicating a weak and negative relationship that is not statistically significant (p = 0.211). However, PFMP has a moderate and statistically significant positive correlation with IP (r = 0.306, p = 0.000), suggesting that stronger international partnerships are associated with better financial management performance. Meanwhile, DF shows a weak positive but non-significant correlation with IP (r = 0.088, p = 0.109), indicating little to no meaningful relationship. Notably, IP is significantly correlated with both PFMP (r = 0.306, p = 0.000) and DF (r = 0.119, p = 0.030), highlighting its potential mediating or supportive role in enhancing financial performance and access to donor funding.

Test of Hypotheses

The regression is use to determine the causes and effect of dependent variables on the independent variable.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691[a]	.340	.382	.666522

a. Predictors: (Constant), DF, IP

Table 3 presents the model summary of a multiple regression analysis examining the combined effect of Donor Funding (DF) and International Partnership (IP) on Public Financial Management Performance (PFMP). The model shows a multiple correlation coefficient (R) of 0.691, indicating a strong positive relationship between the predictors and PFMP. The R Square value of 0.340 suggests that approximately 34% of the variance in PFMP can be explained by DF and IP combined. The Adjusted R Square is slightly higher at 0.382, which accounts for the number of predictors in the model and confirms a good fit. The standard error of the estimate is 0.666522, indicating the average distance between the observed and predicted values of PFMP. Generally, the model indicates that DF and IP are meaningful predictors of public financial management performance.

Table 4: Anova[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.667	2	13.945	51.432	.000[b]
	Residual	105.332	328	.332		
	Total	162.999	330			

a. Dependent Variable: PFPM
b. Predictors: (Constant), DF, IP

Table 4 presents the ANOVA results for the regression model assessing the influence of Donor Funding (DF) and International Partnership (IP) on Public Financial Management Performance (PFMP). The regression model is statistically significant, as indicated by the F-value of 51.432 and a p-value of .000 ($p < 0.05$), meaning the overall model reliably predicts PFMP. The total variation in PFMP is 162.999, of which 57.667 is explained by the regression (i.e., the combined effect of DF and IP), while the remaining 105.332 is unexplained (residual). With degrees of freedom (df) of 2 for the regression and 328 for the residual, the mean square values are 13.945 and 0.332, respectively. These results confirm that the predictors (DF and IP) significantly contribute to variations in public financial management performance.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.775	.230		3.334	.000
	DF	-.079	.045	-.087	-2.141	.021
	IP	.147	.058	.148	2.543	.011

a. Dependent Variable: PFPM

Based on the coefficients table, Hypothesis H01, which states that there is no significant effect of donor funding on financial management (PFM) performance in NiMet, is rejected. The unstandardized coefficient (B) for Donor Funding (DF) is -0.079 with a t-value of -2.141 and a significance level (p-value) of 0.021, which is less than the 0.05 threshold. This indicates that donor funding has a statistically significant but negative effect on PFM performance. In other words, as donor funding increases, financial management performance slightly decreases, suggesting possible inefficiencies or challenges associated with donor fund utilization in NiMet.

For Hypothesis H02, which states that there is no significant effect of international partnership on financial management (PFM) performance in NiMet, the hypothesis is also rejected. The unstandardized coefficient (B) for International Partnership (IP) is 0.147, with a t-value of 2.543 and a p-value of 0.011, which is statistically significant at the 5% level. This implies that international partnerships have a positive and significant effect on financial management performance, meaning that greater engagement with international partners likely enhances NiMet’s financial management capacity and outcomes.

Discussion of Findings

The study provides critical insight into how broadening income sources can influence financial outcomes in public sector institutions. The findings, particularly the significant positive impact of international partnership and the significant negative effect of donor funding on public financial management (PFM) performance, highlight the nuanced role of diversified revenue streams in enhancing or weakening financial effectiveness.

Revenue generation diversification, in this context, aligns with the positive influence of international partnerships, as strategic alliances often open up new avenues for technical assistance, research collaboration, and income through joint programs or capacity-building projects. This is supported by Sambo and Fumba (2020) and Oladele and Anne (2023), whose studies showed that partnerships improve organizational goal-setting, resource allocation, and performance. For NiMet, such partnerships may enhance operational capabilities and reduce over-reliance on volatile or restricted funding sources, thereby improving financial management efficiency and accountability.

Conversely, the negative effect of donor funding found in the study signals the potential risks of over-dependence on single-source or conditional funding. This is consistent with Jimmy-Akinpitan (2023), who highlighted that inconsistencies in donor disbursement and poor internal controls can undermine financial sustainability. Therefore, for NiMet, a robust revenue diversification strategy must focus on balancing external funding (donor support) with internally generated income, fee-based services, and collaborative partnerships, ensuring that each stream contributes positively without compromising autonomy or financial control. This diversified approach will strengthen NiMet’s financial base, improve planning and execution, and ultimately enhance its overall financial management performance.

Conclusion and Recommendations

The study demonstrates that revenue generation diversification plays a vital role in enhancing the financial management performance of public institutions like NiMet. While international partnerships contribute positively by strengthening institutional capacity and expanding funding opportunities, over-reliance on donor funding may negatively impact financial performance due to issues such as poor fund management and unpredictability. These findings underscore the importance of strategically managing and optimizing revenue sources to strengthen financial stability and improve PFM in NiMet. Based on the findings, the following recommendations are proposed:

NiMet should strengthen its internal control systems and financial accountability mechanisms to ensure that donor funds are efficiently utilized and do not negatively impact financial management performance.

NiMet should proactively pursue and expand international partnerships, as they have shown a positive effect on financial management, by leveraging collaborative projects, technical support, and capacity-building initiatives to enhance operational efficiency and financial sustainability.

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