



LAGOS STATE GOVERNMENT

LAGOS STATE
DEVELOPMENT
PLAN 2012-2025

Main Document

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MINISTRY OF ECONOMIC PLANNING AND BUDGET

Contents

List of Tables and Figures.....	vii
Abbreviations and Acronyms.....	viii
Foreword	xiii
Preface	xv
Executive Summary.....	1
LAGOS TODAY.....	2
LAGOS TOMORROW	7
Economic Development Pillar (Details in Chapter 7).....	9
Infrastructure Development Pillar (Chapter 8 for details)	11
Social Development and Security Pillar (Details in Chapter 9).....	13
Sustainable Environment Pillar (Chapter 10 for details)	15
IMPLEMENTATION STRATEGY FRAMEWORK	16
Finance (Chapter 11 for details).....	17
Investment and Financing Requirements	17
Revenue Projections	17
Financing Options and Direction.....	18
Governance: (Chapter 12 for details)	19
Implementation, Monitoring and Review (Chapter 13 for details).....	20
Chapter 1: Introduction.....	23
1.1 A Vision for Lagos	23
1.2 Purpose and Scope of the Plan.....	27
1.3 Background.....	28
1.4 The Lagos State Development Plan: The Planning Context.....	33
1.5 Arrangement of the Plan Document	36
1.6 Complementary LSDP Documents	36
PART 1 LAGOS TODAY	39
Chapter 2: The Economic Development Pillar	41
2.1 Pillar Overview	41
2.2 Manufacturing.....	45
2.3 Transport Sector.....	47

2.4	Building and Construction/Housing Industry.....	48
2.5	Communications	52
2.6	The Service Sector.....	52
2.7	Agriculture	57
2.8	Oil and Gas and other Minerals	63
2.9	MSMEs and the Informal Sectors.....	63
Chapter 3: Infrastructure Development Pillar		67
3.1	Pillar Overview	67
3.2	Power.....	68
3.3	Transportation	71
3.4	Water.....	76
3.5	Telecommunications	80
Chapter 4: Social Development and Security Strategic Area		83
4.1	Pillar Overview	83
4.2	Education.....	84
4.3	Health.....	91
4.4	Social Protection	98
4.5	Security.....	101
4.6.	Justice	103
Chapter 5: The Sustainable Environment Pillar		105
5.1	Pillar Overview	105
5.2	Drainage and Flood Control	107
5.3	Solid Waste Management	109
5.4	Sanitation.....	112
5.5	Pollution Control.....	115
5.6	The Built Environment.....	117
5.7	Environmental Management and Climate Change	119
PART 2 LAGOS TOMORROW		123
Chapter 6: Development Strategy: from Vision to Policy		125
6.1	Strategy Framework	125
6.2	The Vision for Lagos	126
6.3	Strategic Direction	127
6.4	Developmental Pillars.....	130

6.5	Linking the LSDP to the role of MDAs.....	130
6.6	Implementation of the LSDP.....	132
Chapter 7: Economic Development Pillar.....		133
7.1	Pillar Dimension.....	133
7.2	Providing the Context for Growth.....	135
7.3	Growth Sectors.....	139
7.4	Manufacturing.....	139
7.5	Agriculture.....	141
7.6	Tourism.....	144
7.7	Housing and Construction.....	146
7.8	MSMEs and the Informal Sector.....	148
7.9	Other Sectors.....	150
Chapter 8: Infrastructural Development Pillar.....		153
8.1	Pillar Dimensions.....	153
8.2	Power.....	154
8.3	Transportation.....	161
8.4	Water.....	166
8.5	Telecommunications.....	168
Chapter 9: Social Development and Security Strategic Area.....		171
9.1	Pillar Dimension.....	171
9.2	Education.....	172
9.3	Health.....	176
9.4	Social Protection.....	183
9.5	Security and Safety.....	187
9.6	Justice.....	190
Chapter 10: Sustainable Environment Pillar.....		193
10.1	Pillar Dimension.....	193
10.2	Flooding and Erosion.....	195
10.3	Pollution.....	197
10.4	Solid Waste Management.....	198
10.5	Sanitation.....	200
10.6	The Built Environment.....	202
10.7	Climate Change.....	204

10.8 Environmental Management.....	206
PART 3.....	209
IMPLEMENTATION STRATEGY FRAMEWORK.....	211
Chapter 11: Finance and Financial Management.....	211
11.1 Overview.....	211
11.2 Policy Objectives/Outcomes.....	212
11.3 Investment and Financing Requirements.....	212
11.4 Revenue Projections.....	215
11.5 Financing Options and Direction.....	217
11.6 Public Financial Management.....	224
Chapter 12: Governance and Capacity Development.....	229
12.1 Overview.....	229
12.2 Objectives/Outcomes.....	230
12.3 Policies and Programmes.....	230
12.4 Governance for Plan Implementation.....	236
Chapter 13: Implementation, Monitoring and Review.....	241
13.1 Overview.....	241
13.2 Objectives/Outcomes.....	242
13.3 The Implementation Programme and Plan Sequencing.....	242
13.4 Monitoring and Evaluation.....	245
13.5 The Review Process.....	247
Annex 1: Lagos Gross Domestic Product (GDP).....	251
Summary of the Lagos GDP Survey (2010).....	251
Scope and Coverage.....	252
Overall Lagos State GDP.....	252
Challenges arising from the Lagos Survey (LBS).....	252
GDP Projections.....	253
Annex 2: MDAs Responsibilities by Developmental Pillar.....	255
Annex 3: A Results-Based M & E System.....	260
Annex 4: Guidance on the PMR Process.....	265
Maps:	285 - 287
1. Lagos State Maps showing his position within Nigeria.....	285
2. Master Plan Area in Lagos.....	286
3. Lagos State Strategic Transport Master Plan.....	287

List of Tables and Figures

Table 1	Population by Sex and Local Authority Area, Lagos State, 2006	31
Table 2	Population Projections for Lagos 2006-2015	32
Table 3	Lagos GDP by Main Economic Activities 2010	44
Table 4	Current Agri-Business Operations in Lagos	59
Table 5	Water Yields from River Sources	77
Table 6	Water Yields from Lagoons	77
Table 7	Projected Water Deficit 2010-2025 (mgd)	78
Table 8	School Enrolment by Level, 2009/10 and 2010/11	85
Table 9	Classroom/Student, Teacher/student/textbook ratios 2009-12	86
Table 10	Lagos Health Facilities	92
Table 11	Lagos State Health Indicators 2004 and 2009	93
Table 12	Summary of Existing Waste Water Treatment Plants	113
Table 13	List of Master Plans	118
Table 14	Development Pillars: Aims and Direction	130
Table 15	Proposed Water Works	167
Table 16	Ministry of Health Investment Requirements 2012-2020	182
Table 17	Projected State Revenue 2011-2025 (N Millions)	216
Table 18	Development Objectives for each main Sector	237
Figure 1	The Planning Framework for Lagos State	34
Figure 2	The Lagos State Development Plan: Planning Process	35
Figure 3	Nigerian Inflation Rate 2008-2012	43
Figure 4	Main Economic Sectors by GDP Value	44
Figure 5	Consumption and Production of Main Food Items in Lagos	60
Figure 6	Aspects of Infrastructure Needs to be most urgently added	68
Figure 7	Master Plan Areas of Lagos	118
Figure 8	Strategy Framework for the LSDP	125
Figure 9	Relationship between the Vision and Aims of the LSDP	129
Figure 10	Relationship between LSDP and MDA Planning	131
Figure 11	Lagos Strategic Transport Master Plan	164
Figure 12	LSDP and the Planning and Budgeting System	231
Figure 13	LSDP Implementation Framework	244
Figure 14	Lagos State M&E Governance Framework	247

Abbreviations and Acronyms

BC&CoA	Budget Classification and Chart of Accounts
BOOT	Build, Organise, Operate and Transfer
BRT	Bus Rapid Transit
BTC	Blood Transfusion Committee
BTM	Board of Traditional Medicine
CBN	Central Bank of Nigeria
CBO	Community Based Organisation
CDA	Community Development Associations
CH	College of Health Technology
CHOIS	Co-operative Home Ownership Incentive Scheme
CNG	Compressed Natural Gas
COFOG	Classification of the Functions of Government
CPG	Crash Prevention Guidance
CSO	Civil Society Organisations
DAWN	Development Agenda for Western Nigeria
DBOT	Design, Build, Operate, Transfer
DFID	Department for International Development
DPO	Development Policy Operation
DRN	Declared Road Network
ECCDE	Early Childhood Care, Development and Education
EPI	Expanded Programme on Immunisation
EXCO	Lagos State Government Executive Council
FDI	Foreign and Direct Investment
FMBN	Federal Mortgage Bank of Nigeria
GDP	Gross Domestic Product
GHG	Green House Gas
HE	His Excellency
HIMS	Health Information Management System
HMO	Health Maintenance Organisation
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome

HoS	Head of Service
HOMS	Home Ownership Mortgage Scheme
HR	Human Resources
HSC	Health Service Commission
IBILE	Ikeja, Badagry, Ikorodu, Lagos (Islands), Epe
ICT	Information Communications Technology
IFC	International Finance Corporation
IGR	Internally Generated Revenue
IPP	Independent Power Projects
JSS	Junior Secondary School
KwH	Kilo Watt Hours
LSDP	Lagos State Development Plan
LAMGDP	Lagos Metropolitan Governance and Development Project
LAGBUS	Lagos Bus Asset Management Limited
LAMATA	Lagos Metropolitan Area Transportation Authority
LASAMBUS	Lagos State Ambulance Service
LASDRI	Lagos State Drivers Institute
LASEEDS	Lagos State Economic Empowerment Development Strategy
LASEMS	Lagos State Emergency Medical Service
LASEPA	Lagos State Environmental Protection Agency
LASG	Lagos State Government
LASTMA	Lagos State Traffic Management Authority
LASU	Lagos State University
LATVEB	Lagos State Technical and Vocational Education Board
LASURA	Lagos State Urban Renewal Authority
LASUTH	Lagos State University Teaching Hospital
LASWA	Lagos State Water Authority
LAWMA	Lagos Waste Management Authority
LBIC	Lagos Building Investment Company Ltd
LCDA	Local Council development Authority
LGA	Local Government Area

LG	Local Government
EA	Education Authority
LDC	Local Development Council
LGEA	Local Government Education Area
LMDGP	Lagos Metropolitan Development and Governance Project
LSACA	Lagos State AIDS Control Authority
LSEB	Lagos State Electricity Board
LSDPC	Lagos State Development and Property Corporation
LSDP	Lagos State Development Plan
LWC	Lagos Water Corporation
MDAs	Ministries and Development Agencies
MDG	Millennium Development Goals
MEMR	Ministry of Energy and Mineral Resources
M&E	Monitoring and Evaluation
MEPB	Ministry of Economic Planning and Budget
ME&T	Ministry of Establishment and Training
MGD	Million Gallons Daily
MHO	Mutual Health Organisation
MES	Ministry of Environmental Services
MLD	Million Litres Daily
MoA&C	Ministry of Agriculture and Cooperatives
MOE	Ministry of Education
MoE&MRD	Ministry of Energy and Mineral Resources Development
MoEnv	Ministry of Environmental Services
MoF	Ministry of Finance
MOH	Ministry of Health
MoHA&C	Ministry of Home Affairs and Culture
MoHg	Ministry of Housing
MoC&I	Ministry of Commerce and Industry
MoI&S	Ministry of Information and Strategy
MoJ	Ministry of Justice
MoLG&C	Ministry of Local Government and Chieftaincy

AMoPP&UD	Affairs Ministry of Physical Planning and Urban Development
MoRD	Ministry of Rural Development
MoSD	Ministry of Special Duties
MoS&T	Ministry of Science and Technology
MoT	Ministry of Transportation
MoW&I	Ministry of Works and Infrastructure
MoWID	Ministry of Waterfront Infrastructure Development
MSME	Micro, Small and Medium Enterprises
MT&IGR	Ministry of Tourism and Inter-Governmental Affairs
MWAPA	Ministry of Women's Affairs and Poverty Alleviation
MYSD	Ministry of Youth and Social Development
MTBF	Medium Term Budget Framework
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategy Framework
MTSS	Medium Term Sector Strategy
MVAA	Motor Vehicle Administration Agency
	MW Mega-watt
N	Nigerian Naira
NASME	Nigerian Association of Small and Medium Enterprises
NASSI	Nigerian Association of Small Scale Industries
NEEDS	National Economic Empowerment Development Strategy
NERC	Nigerian Electricity Regulatory Commission
NPE	National Policy on Education
NIGCOMSAT	Nigerian Communications Satellite
NIHOTOUR	National Institute for Hospitality and Tourism
NIMASA	Nigerian Maritime Administration and Safety Agency
NIWA	National Inland Waterways Authority
NPHCDA	National Primary Health Care Development Agency
OoGov	Office of Governor
OSAE	Office of the Special Adviser on Education

OVC	Orphans and Vulnerable Children
PAC	Public Accounts Committee
PBG	Policy-Based Guarantees
PHCD	Primary Health Care Delivery
PHCN	Power Holding Company of Nigeria
PMR	Performance Management and Review
PPP	Public Private Partnership
PS	Primary School
RoRo	Roll on Roll off Container Facility
RRS	Rapid Response Squad
SAAG	State Accelerated Agriculture Growth
SEC	Securities and Exchange Commission
SHoA	State House of Assembly
SME	Small and Medium Enterprises
SMF	Strategic Management Framework
SMoE	State Ministry of Education
SPARC	State Partnership for Accountability, Responsiveness and Capability
SSS	Senior Secondary School
SSSS	Sustainable Sewage Sanitation Strategy
SUBEB	State Universal Basic Education Board
TB	Tuberculosis
TEPO	Teachers Establishment and Pensions Office
TLS	Transfer Loading Station
TWG	Technical Working Group
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEFA	UN Education for All
UNESCO	United Nations Education, Science and Cultural Organisation
UNFPA	United Nations Family Planning Agency
UNICEF	United Nations Children's Fund
UNIDO	United Nations Development
WWTP	OrganisationWaste Water Treatment Plant

Foreword

The Lagos State Development Plan (LSDP) is a policy document that came into being by harmonizing all existing high level policy documents operational in the State. It captures past strategic development plans and statements and bring them into a harmonious and coherent whole. LSDP presents a baseline picture of the State in its manifold aspects: Economic, Infrastructure, Social Services and Protection and sustainable Environment. It also provides the overall Strategic Framework and Direction for achieving the State's Vision. This high level policy document sets out the overarching policies, strategies and targets for the development of Lagos that could be regularly monitored and reviewed for lasting and sustainable growth.

Lagos City-State as one of the fastest growing cities in the world has a vision of becoming Africa's Model Mega City and Global, Economic and Financial Hub that is Safe, Secure, Functional and Productive. To achieve this laudable objective, there is need to direct investment towards economic development of Lagos. Thus, LSDP serves as a veritable platform providing overall direction for the growth and development of the State. It will provide a framework through which all sectors of the economy can direct their energies and contribute to the improvement of the quality of life of people in the State.

Lagos State has all it takes to make Nigeria join the group of leading economies in the World. Lagos State is regarded as Nigeria's financial, commercial and industrial nerve centre with several manufacturing industries and financial institutions. The State accounts for over 60% of the nation's industrial investments, foreign trade and commercial activities. It also accounts for more than 40% of all labour emoluments paid in the country. The goal of LSDP is to harness the economic potentials of Lagos State and mobilize investments that will ensure that Lagos State plays its vital role as Nigeria's and West Africa's economic hub.

Finally, I commend this developmental policy document to every Lagosian, development partners, and all stakeholders in Lagos State. This is our plan. Therefore, all hands must be on deck to ensure its effective implementation and monitoring in order to realise the Lagos of our dream.

Eko oni baje O!

Babatunde Raji Fashola (SAN)

Executive Governor

Preface

The Lagos State Development Plan (LSD P) is borne out of the need to harness the various documents articulating the vision of Lagos as Africa's model megacity and put up clear set of policies and strategies that would guide public and private investments in Government programmes. The benefits of having a long-term plan that provides an integrated approach to development, grounded in clear assessment of needs and what can be realistically achieved has been widely accepted as an urgent need by all.

The development of a coherent and rational set of policies and strategies for realizing this Vision was undertaken by harmonizing existing sector policies and strategies as outlined in sector master plans, resolutions at Ehingbeti Summits and statements by the Governor and other leaders. It is also an attempt at harnessing various high policy documents operational within the State including the Ten Point Agenda, Lagos State Economic Empowerment Development Strategy (LASEEDS), Vision 20:2020 and Millennium Development Goals (MDGs).

The purpose of Lagos State Development Plan (LSDP) is to provide overall direction for the growth and development of the State. It will provide a framework by which all sectors of the economy - public, private and civil society - can direct their energies and contribute to the improvement of the quality of life of people in the State. Hence it will set the overarching long-term framework for Government's Planning and Budget system. By 2025, it is estimated that Lagos will be ranked as the third largest city in the world after Tokyo and Mumbai.

The State will work to provide a conducive environment for business and external support that encourages the private sector to play its envisaged role. Lagos State will also create an enabling platform for external agencies to provide support in a coordinated and integrated manner so as to encourage new investments, create jobs, as well as improve infrastructure and social services.

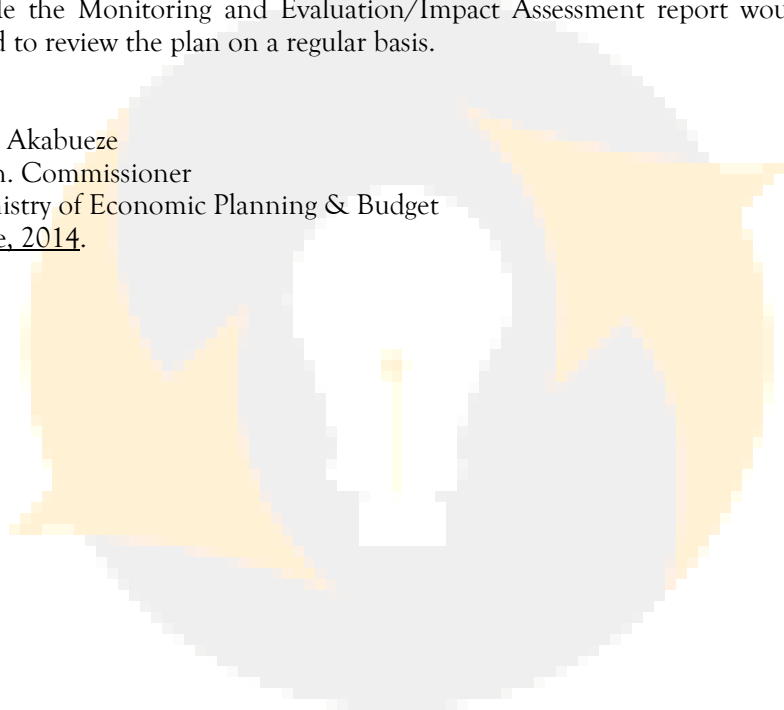
In the past, the availability of a plan that is all-encompassing and one which would serve as a generic guide to planning in all MDAs had eluded the State. This document is therefore timely in the realization of the State's model Mega city vision. The process began by looking at the main issues and challenges facing Lagos today. This drew upon previous State reports, current statistics, especially those published by the Lagos Bureau of Statistics and other reports /documents.

The plan sets out how the Policies and Strategies may be realized through sound management and practicable framework. Principally this implies that the different aspects of the **LSDP** can be financially met and the governance approach required to drive the plan forward with strong support of all stakeholders is in place.

Finally, the plan sets out how performance can be measured through setting appropriate targets and outlining required monitoring and review processes.

The review process then leads cyclically to ensuring the plan has relevance and is adapted to changing realities. The Medium Term Sector Strategies (**MTSS**) mechanism would be used to deliver the **LSDP** in the medium-term, while the Monitoring and Evaluation/Impact Assessment report would be used to review the plan on a regular basis.

Ben Akabueze
Hon. Commissioner
Ministry of Economic Planning & Budget
June, 2014.



Executive Summary

Introduction

The Introduction (Chapter 1) begins by setting out the Vision for the State, the purpose and scope of the Plan, a brief consideration of Background issues such as History, Culture and Population and ends by describing how the report is arranged.

The Vision for Lagos is that by 2025 it will be:

Africa's Model Megacity and Global, Economic and Financial Hub
that is Safe, Secure, Functional and

Productive Achieved through:

Poverty Eradication and Sustainable Economic Growth through
Infrastructural Renewal and Development

The purpose of the Lagos State Development Plan (LSDP) is to provide overall direction for the growth and development of the State. It will provide a framework through which all sectors of the economy – public, private and civil society - can direct their energies and contribute to the improvement of the quality of life of people in the State. It also seeks to harness all three parts of the State: the Executive, the Judiciary and the Legislature in a joint endeavour to realise the Vision of Lagos.

Background

Lagos is the smallest state in Nigeria but economically it is one of the most powerful with the largest urban metropolis in the country. Situated on the coast and close to Benin in the west it is strategically located for international trade. Rich in history and culture it possesses a strong belief in the capacity of Lagos, as a mega-city to act as a catalyst for major development of the western region and the nation as a whole.

Lagos has always been Nigeria's largest city but its rapid growth began in the 1980s and has continued to this day. Lagos reached a mega city status (cities over 10 million) by 1995 and the State Bureau of Statistics estimates that its current (2011) population stands at just over 20 million. By 2015 it is estimated that Lagos will be ranked as the third largest city in

the world after Tokyo and Mumbai. Current assumptions indicate that Lagos should be planning for a city of just over 28 million by 2020. This represents an additional 7 million people living in Lagos during the plan period.

Arrangement of the Plan Document

Following the Introduction document is divided into three main Parts. Part 1 looks at Lagos Today; Part 2 considers Lagos Tomorrow beginning by setting out the Vision for a future Lagos in a series of related aims. Finally Part 3 looks at the Implementation, Governance, Monitoring and Review aspects of the Plan.

Complementary LSDP Documents

Alongside this main document of the LSDP there are two other documents. The first is an Abridged LSDP that has been produced to allow for a full overview of the contents and scope of the LSDP produced in a manner that allows for a rapid grasp of its essentials. The second is an Implementation Programme (IP), which provides more detail on the way the LSDP is phased, priorities adopted and linkages made to existing plans such as the Medium-Term Sector Strategies (MTSSs) and Annual Budgets. The IP will also set out high level outcomes and Key Performance Indicators (KPIs) as well as providing Sector PKIs that will mesh with existing indicators and approaches developed for the MTSSs.

LAGOS TODAY

Lagos Today presents a Baseline picture of the State in all its manifold aspects: Economic, Infrastructure, Social Services and Security and the Environment. These four main parts are described as Pillars. For each Pillar there is an overall description of the Dimension of salient features and main issues followed by more detail for each principal sector in the Pillar with a Summary of Issues at the end of each sector.

The Economic Development Pillar(Chapter 2) divides the Economy into its main structural components as set out in the most recently available GDP data (Table 3) as follows: Manufacturing, Transport, Building and Construction and Communications sectors. Other sectors are also described including the Service Sector broken down into various sub-sectors followed by Agriculture and then Oil and Gas and other Minerals. A concluding section looks at Micro, Small and Medium Enterprises (MSMEs) that also covers the Informal Sector.

The salient general economic facts and issues are:

- If Lagos were a country, its GDP of \$80 billion (2010) would make it the eleventh-biggest economy in sub-Saharan Africa. It is the economic powerhouse of the Nigerian economy, contributing 62% to national non-oil GDP.
- But, the Lagos economy is beset with high unemployment, under-employment and unacceptable levels of poverty. Massive investment is required to create a vibrant economy to meet the needs of all.
- In terms of GDP value the Lagos economy is dominated by the Manufacturing, Transport, Construction and Wholesale and Retail. Taken together these four broad activities account for 86% of total Lagos GDP. Manufacturing accounts for nearly 30% of total GDP.
- The Lagos economy is subject to macro-economic factors beyond its control. The international price of crude oil and national policies concerning oil is one important factor. Another is the national rate of inflation. This has been consistently high at or around 10% in recent years.
- The **Informal Sector and the MSME sector** are enormously important with the majority of the workforce engaged at this level. Much untapped potential exists.

The Infrastructure Development Pillar (Chapter 3) is divided into four sectors: Power, Transportation, Water and Telecommunications.

The salient general facts and issues are:

- Infrastructure is vital for economic growth and social quality of life but much of the infrastructure is inadequate to meet the needs of Lagos now and limits growth potential. It was badly neglected in the 1980s and 1990s so that investment is required to address both a substantial deficit in all areas as well as meeting future needs.
- *Transportation* is predominantly road based and carries up to 93% of total passengers and goods traffic. The available road infrastructure is greatly over stretched. Despite the abundance of large water bodies, ports are congested and water transportation is still under-utilized. Rail infrastructure is virtually dormant. There is no up-to-date overarching transport policy that can help

resolve fragmentation and duplication of institutional responsibilities.

- *The Power Sector* faces a chronic shortage and erratic supply. Estimates indicate that the current demand for power stands at 2,000KW. The supply is much lower at 870MW, leaving a power supply gap of 1,130MW. Current estimates indicate that LASG will need a minimum of 15,000MW of generating capacity to position Lagos City as Africa's Mega City of Choice and place Lagos City amongst the most promising cities in the emerging economies.
 - In the *Water Sector* the installed water capacity is 33% of total water demand of the State with State water demand at 540 million gallons per day. Service coverage is only 44% and many rural areas have no potable water supply. Unorganized private water vendors and private water supply accounts for the deficit demand of 330 million gallons per day. The sector is characterized by ageing water plants and facilities. There is an inefficient revenue collection system. Over 80% of water users who pay for water are billed on flat rate while over 50% of users are not on the database. In addition there are also heavy losses through the high rates of leakages and vandalism and high rates of water theft and illegal connections. By 2025, Lagos State will need 780 million gallons of water per day.
 - *Telecommunications*: The industry is characterised by poor service quality. For Lagos State to have a reliable and accessible telecommunication services by 2025, it will need an investment of N1.7 trillion. N600 billion will need to be spent on Research and Development while the balance is spent on Telecommunications Infrastructure.
- The Social Development and Security Pillar(Chapter 4)is divided into four main sections dealing with Education, Health, Social Protection and Security and Justice.

The salient facts and issues are:

- Lagos State has undergone significant changes over the last ten years and these changes have given rise to a variety of social impacts and created new social needs. Past under investment in vital social services has led to a mounting deficit in the terms of the quality of service and access to facilities.

- *Education:* The infrastructure in schools is poor with shortages of resources. These factors adversely affect the teaching and learning environment and hence the quality of education. Enrolment in schools is high and increasing due to in-migration of families with school-aged children. Lagos State offers free primary education and this attracts children from neighbouring States. There is also need to regulate private schools. In order to respond to the above challenges LASG will need to increase its spending on education from the present N40 billion per annum to N140 by 2025 or at least 15% of LASG annual budget then.
- *Health:* Lagos State has improved Primary Care but coverage is incomplete with 30% of hospitals in Lagos Island. The distribution is better at Secondary and Tertiary levels. There are insufficient doctors and nurses in the public system. The skills levels are also low for some healthcare professionals. Personnel are not evenly distributed, with the relatively wealthy Lagos Island having 32% of the general practitioners, despite having only 4.9% of the population. There is a large market of unregulated and unregistered traditional practitioners who are believed to be patronized by up to 70% of the population, especially in the rural areas.
- *Social Development and Security and Justice:* A significant percentage of the youth population are not exposed to sporting activities and empowerment programmes. There have also been insufficient competent social workers/sports personnel. Low literacy rates reduce the uptake of social development programmes and increase youth and sport development problems. Pressure on social development and youth and sporting facilities will continue. This means significantly more spending to meet the Social Development and Security, both from the LASG and from the private sector. The Justice sector has challenges which include insufficient numbers of lawyers, judges and support personnel; overburdened Judiciary and Magistracy; inadequate working materials and tools such as information and communication technology; insufficient data on the sector activities and low level of Justice Aid to the indigent population.

The Sustainable Environment Pillar (Chapter 5) is divided into six areas: Drainage and Flood Control, Solid Waste Management, Sanitation, Pollution, the Built Environment and Environmental

Management and Climate Change.

The salient facts and issues are

- **Drainage and Flood Control:** The impact of urbanisation on the environment, especially where that environment is fragile and prone to flooding or erosion is a central concern. The key needs are to develop a Drainage Master Plan and secure appropriate investment to build new drains and ensure existing ones are well maintained; and finally to continue to engage local communities in measures to keep drainage channels clear.
- **Waste Management:** Considerable progress has been made in creating efficient waste collection and maintaining clean highways and neighbourhoods. The current accent is upon putting in the necessary infrastructure and machinery to sort, package, compress and dispose of waste in compliance with the highest international standards. Transfer Loading Stations (TLS) play a pivotal role and the aim is to establish 20 such plants by 2022 through PPP.
- **Sanitation:** The rapid growth of Lagos, with a proliferation of slum housing areas, has far outstripped the weak sewerage systems. It is estimated that Lagos State generates 1.5 million cubic metres of waste water per day. The predominant use of septic tanks, especially in low lying areas, can result in the pollution of the groundwater and lead to health problems. Waste Water Treatment Plants are being revamped and new ones proposed for possible PPP initiatives.
- **Pollution:** The principal cause of air pollution in Lagos is the large number of vehicles on the roads. With approximately a million cars on the road each day and 40% of Nigeria's total fuel used by the city's residents, Lagos injects about three tonnes of lead into the air daily. The situation is made worse by the use of two-stroke engine motor-cycles used for public transport throughout the city, the relatively high numbers of old and poorly maintained vehicles and the large number of generators. The adverse effects of air pollution often fall disproportionately on the urban poor, with attendant health risks and hazards compounding the impact of other environmental problems such as lack of clean water and sanitation.
- **Built Environment:** Lagos has witnessed the rapid deterioration

of neighbourhoods, resulting in the proliferation of slums. Some estimates suggest the 75% of Lagos' population live in sub-standard housing areas. Given the overall population of the State as approximately 20 million this means that 15 million inhabitants experience poor conditions. Lagos urgently needs a full complement of Regional, District and Neighbourhood Master Plans to guide the next phases of development and establish some priorities for neighbourhood planning. Slum upgrading is required to improve basic facilities such as water supplies, sanitation and rubbish removal.

- Climate Change: Lagos State may be affected by Climate Change in two possible ways. Weather patterns are changing and some regions, such as West Africa, may already be experiencing increased rainfall at times and more extreme weather events. This can create more storms. As a coastal state Lagos is prone to sea storms and as a low lying state Lagos is also prone to repeated flooding. These are matters of considerable concern and Lagos State has put in place a number of measures designed to improve flood defences and increase public awareness on the issue.

LAGOS TOMORROW

Lagos Tomorrow (Part 2) provides the overall Strategic Framework and Direction for achieving the Vision for the LSDP and the way this will be undertaken through Policies and Programmes under the four Development Pillars. The overall diagram illustrating this relationship is shown in **Figure 7**.

The Vision is to establish Lagos as a Model Mega City to the benefit not just of Lagos but for the good of the Nation and West Africa. This Vision will probably take longer than 10 years but it is a clear guide to all future developmental programmes of where eventually Lagos should be. For this Vision to become reality, the State will seek to realise the following:

Key aims:

- *Reduce Poverty*
- *Increase Private Sector Investment*
- *Increase Tax Revenues*
- *Lessen Traffic Congestion*
- *Improve Power Supply*

- *Improve Water and Sanitation*
- *Improve Environmental Protection*
- *Improve Educational Attainment*
- *Improve Individual Health*
- *Improve Housing and the Built Environment*
- *Improve Civil Protection*

The Plan Rationale: The logic of the LSDP is based upon the understanding that the pivotal developmental requirement for Lagos is the creation of a dynamic economy that can provide jobs and wealth to enable the State to realise all its other obligations and aims. Job creation is the key to future prosperity, not just so as to uplift the many millions of Lagos citizens currently suffering from poverty but also as a means of increasing tax revenues and providing an income for Lagos State to undertake all the non-wealth creating tasks it is required to do. Figure 8 illustrates this rationale.

The role of the State Government and its relationship to other Sectors:

The key driver in all matters of the development of the State is the Lagos State Government. The State provides the overarching planning, management and direction for development, is the major implementer of most of the services, undertakes numerous capital works and maintains and operates social, economic and environmental infrastructures. The LASG is also the only representative route to all the sectors and all the people of the State. It is therefore accountable to the people and the different sectors for the role it plays and the way it manages the development process. But the LASG cannot do this alone and relies on powerful partners in development at all levels. These partners include the general public at the base and above that the various representative organs and bodies of the private, labour, civic and local government sectors.

Developmental Pillars:

The way the various elements of the Strategic Framework are arranged in this Plan is through the four Developmental Pillars. This is a convenient way of bringing together allied programmes and ensuring in the process that appropriate linkages are made. Table 14 shows the broad aims and strategic direction for each Development Pillar.

Linking the LSDP to the role of MDAs:

The LSDP sets the long-term strategic perspective for the more detailed planning undertaken by the 25 MDAs, which make up the main implementation agencies of the State. Individual MDAs will need to harmonise their longer term Sector and Master Plans with the broad parameters of the LSDP and then reflect the aims and direction of the Development Pillars in their medium-term and annual budgets. Figure 10 represents the way the LSDP moves from the Vision at the apex, through the policies of each development pillar, to the more specific sector programmes of the different MDAs.

Economic Development Pillar (Details in Chapter 7)

Strategic Direction

Lagos State will aim to create a GDP p.a. growth that exceeds the rate of inflation and the rate of population growth, building from the current rates of over 7% to at least 10% p.a. by 2020. It will also seek to achieve the Manufacturing Sector operating at about 40% of Lagos GDP by 2020. Formal, paid employment will account for 60% of the labour force by 2020, and the unemployment rate will be 5% of the labour force by 2020.

Strategies for Growth

Achieving these key outcomes is based upon pursuing several cross-cutting themes that can help to drive the economy to modernise, re-structure and attract investment as well as identifying and targeting a number of Growth Sectors.

Cross-cutting Strategies:

- Creating a Positive Environment for Business
- Developing Labour Skills.
- Provision of a Planned Physical Environment
- Developing Partnerships for Economic Growth
- Promoting Enterprise and Technology
- Promoting Lagos.

Growth Sectors

Whilst all economic activities add value and create jobs, the State will

highlight the potential of selected sectors that offer particular potential to Lagos. Currently PATH (Power, Agriculture, Transport and Housing), which combines two enabling infrastructural sectors (dealt with in Chapter 8) and two economic sectors are being promoted as the key sectors.

Manufacturing

The main target for this sector is to increase the contribution of the manufacturing sector to the GDP from 4% to 43% over the 15 year period. The key policy areas will be: Targeting, Physical Mechanisms, Skills for Manufacturing, Upstream and Downstream Linkages, Finance and Regulations, Labour and Information and Promotion.

Agriculture

Some of the key targets for this sector include ensuring that aggregate food supplied internally increases from less than 10 per cent of total consumption by the State in 2012 to 25 per cent by 2017 and 40% by 2025 and ensuring that the productivity of small holders is enhanced by 10% p.a. The key policy areas will be: Farm Estates and Commercial Farming, Agri-Business, Finance and Land, Small Farmers and Consumer Protection.

Tourism

Some of the key targets for this sector include Increasing the Influx of tourists to the state by 15% p.a. to 15 million annually and increasing revenue generation for the state from tourism to 10% of GDP. The main key policy areas be: Increasing the number of Tourist Attractions, Sustainable Tourism, Private Sector Driven, From Business to Tourism, High Standards, Cultural Identity and Developing a local culture of leisure.

Housing and Construction

Some of the key targets for this sector are that 100% of citizens will have access to homes by the end of the Plan period and at least 40% of citizenry will own their home. The main policy areas are: Planning Framework, Multiple Housing Approaches, Affordable Housing, Social Housing Needs, Land, Housing Standards, Rural Housing, Innovation and Information.

SMEs and the Informal Sector

The key policy areas for this sector are: SME/Informal Sector Plan, Gender Issues, Business Incubators and Land, Other types of Support, Finance, Consultation, Regulations, From Informal to Formal Enterprises, Co-operatives, Information and Monitoring.

Other Sectors

It is vital that the Finance and Commercial Sectors are supported to grow and expand so that Lagos can achieve its Vision as a model Mega City. Similarly the Hospitality Industry, which provides considerable benefits to the Lagos economy will be supported and encouraged to grow and achieve high standards. The nascent Film Industry is also recognised as one having much potential. The Oil and Gas Industry may develop during the plan period.

Infrastructure Development Pillar(Chapter 8 for details)

Strategic Direction

Lagos State aims at achieving an efficient and effective infrastructure capable of meeting future needs, including increased productivity, competitiveness, environmental sustainability, reduced noise pollution, and income inequality as well as guarantee security and health. By 2025, it will have delivered an efficient power, effective mass transit systems and other key infrastructures essential to achieve a sound and growing economy and achieve social progress.

The key priority areas in the Infrastructure Sector are power, transportation, and water. They are all deficient and cannot meet the immediate and future needs of the economy.

Power

Lagos State is working with the Federal Government on the roadmap to Power sector reforms that will see the State able to meet the plus or minus 12,000 MW of electricity needed for the State in 2025 to realise its future growth potential.

The key policy areas are- A comprehensive national power supply strategy that meets the needs of the State. Finalise the Gas Master Plan. Develop captive power plants for critical areas of its economy. Collaborating with the private sector in power development plants. Support to prospective investors in the state electricity sector. The State funding to finance

power related projects. Assistance from other agencies e.g. Infrastructure Concession Regulatory Commission and the World Bank and apply world class management principles and practices.

Transport

The key targets in the transportation sector is to ensure that by 2025: There is increased productivity through the provision of standard and eco-friendly transport services in Lagos State, There is reduced average commuting time and cost of transportation leading to overall economic growth of the State and social well-being of the citizenry, There is increased access to basic social services (education, health, housing, etc.) due improved access to transport infrastructure, There is increased participation of all stakeholders in the transport sector and There is capacity in the transport sector to enable it deliver on its mandate.

The main policy areas are:-During the plan period, LASG will implement an Integrated Transport System and Traffic management and Road safety.

Water

The key policy objectives and targets are:-Meet the water demand of 870mgd, make sector more responsive to consumers' needs and preferences, bring technical and managerial expertise and new technology to sector, improve economic efficiency in operations and use of investment capital, reduce public subsidies to sector, insulate sector from political interference

The key policy areas are:- Large-scale State investment into the sector and Access to private capital markets .

Sanitation

The key policy areas are:-The State will Implement the Sustainable Sewage and Sanitation Strategy Policy (SSSSP). LASG will encourage PPP in the development of WWTps through enabling environment and appropriate incentives such as tax relief, tax holiday etc. Introduction of wastewater management charges throughout the State for sustainability of infrastructure in the sector. This will be accompanied by public education, enlightenment, awareness and promotion of voluntary compliance, provision of subsidies and counterpart funding by government. Tax rebate, tax holiday and other incentives for investors.

The State will provide decent and functional public toilets at all strategic locations/public places (markets, motor parks, recreational parks) and enlighten the public on their use and maintenance.

Financing for Infrastructure

LASG will therefore seek innovative ways of engaging other stakeholders in bridging the funding gap. Options available to the State include increases in charges, improvements in revenue collection strategies, reduction in operating costs, rationalisation of service levels and use of shared services, outsourcing among the service providers and developing strategic partnerships through Public-Private Sector Partnerships (PPPs).

Social Development and Security Pillar (Details in Chapter 9)

Education

LASG will pursue the following policy objectives and targets to ensure that by 2025 there is: Education that is free and accessible to all children in the State and relevant to the needs of the State economy, Early Childhood Care and Development Education that is comprehensive, accessible and free to all children in the State, Quality education that is accessible to special needs students, Availability of skilled workforce that meets the needs of employers and, through that employment, the economic needs of the individuals, All adults with access to education throughout their lives, even if they did not finish the formal course, that is, no Lagosian need be illiterate or innumerate.

The main **policy areas** are:-The Rights of the Child to education. Provide adequate and quality physical infrastructure and facilities at secondary and tertiary levels of education, the State will attract, retain, develop and optimize skilled and competent teachers (including specialist teachers) and childcare providers. The State will create an inclusive and participatory approach to the implementation of education-related programmes and policies. The State will build the capacity of all educational institutions to effectively implement the sector activities.

Health

LASG will pursue the following policy objectives and targets to ensure that by 2025:Lagos State has quality and affordable health care services

that are available and accessible to its citizens, Lagos State has a fully functional, efficient and effective public health system at primary, secondary and tertiary levels, Lagos State has a skilled, experienced and responsive workforce that meets the needs of a functional, efficient and effective public health system, Lagos State has an aware and involved health consumer society characterized by expanding health-seeking behaviour and engagement in health planning and implementation, Lagos State is a prime global destination for persons in quest of qualitative medical care.

The key policy areas are:- The State will steer the overall health development programme through the setting of service delivery standards, design and issuance of guidelines. Monitoring progress on meeting objectives and outcomes and securing essential funding for the sector, the State will proceed to provide and up-grade the health infrastructure at all levels of care. The Health delivery system will be transformed into a three tier system intended to help in decongesting the existing secondary and tertiary health care system. The State will actively engage the private sector in a coordinated manner to ensure improved coverage of the populace while reducing the State's expenditure on the sector, especially human resources. There will be a massive recruitment of additional manpower (all cadres) to complement existing ones. The sector will need increased funding during the plan period.

Social Protection

LASG will pursue the following policy objectives and targets to ensure that by 2025: The State has strong and stable families as foundations for development. Women's rights are known and respected and there are insignificant cases on gender-based violence. Children are protected from abuse, violence and exploitation. Youth and Women are economically empowered and self-reliant as well as effectively participate in state development programmes – sports, art, culture, music and development enterprises. The poor and vulnerable households and children are protected from sliding into poverty and suffer irreversible welfare losses.

The key policy areas are:- Promoting women's empowerment rights as well as children and the physically challenged. Programmes that engender engagement and self-identity. Economic empowerment wealth creation, child survival, development and protection. Collaboration among the youth and women and children. Consolidation of gender and youth

related policies into one piece of legislation. Child participation in decision making. Skills Acquisition Centres and Entrepreneurial Training Centres. New facilities for the very vulnerable groups, e.g. orphaned children, transit homes, homes/clinics for physical challenged children.

Justice

The key strategic initiatives that will move the sector to its envisioned state are: effective and efficient justice administration system; promote a culture of respect for the rule of law and fundamental human rights; promote viable alternative dispute resolution solutions; access to justice by all; create, attract and retain a top quality workforce; proactive and contemporary laws; adequate finance; enhanced capacity development.

Sustainable Environment Pillar(Chapter 10 for details)

Strategic Direction

The following are the key pillar strategic aims:

- Improved health and safety of inhabitants
- Enhanced capacity to attract investment and create jobs
- A flood-free Lagos State with effective erosion control
- Control of water, air, land and noise pollution to international standards
- Sanitation that meets the needs of all without polluting groundwater
- Full coverage of approved Master Plans and Neighbourhood Plans
- All sub-standard housing improved or replaced
- The natural ecology conserved as far as possible
- The effects of climate change mitigated as far as possible

Flooding and Erosion

The key target for this sector is to reduce the incidence of flooding in Lagos State from 40% to 20% of urbanised and semi-urbanised areas by 2015 and seek to eliminate all by 2025. The main policy areas to achieve this are: Research and Planning, Improved and Maintained Drainage Network, Public Awareness and Involvement.

Pollution

The key target for this sector is that environmental pollution be brought

within internationally agreed limits in Lagos State The main policy areas are:- Reviewing Controls and Regulations, Monitoring and Enforcement, Public Awareness.

Solid Waste Management

The key target for this sector is to attract private sector partners to fulfil plans to establish 12 new TLSs by 2013 and 20 by 2025. The main policy areas are:-Infrastructure, Re-cycling, Public Awareness and Promotion, Information, Monitoring and Enforcement and Training

The Built Environment

A built environment that is clean, green, safe, attractive and organised can bring many benefits, not least the improved health of the inhabitants. The following main policy areas will be pursued: Hierarchy of Physical Plans. Growth Poles and Corridors. Slum Clearance. Accessible Transport. Cultural Heritage. Parks and Landscaping. Public Participation Information, Monitoring. Capacity Building. Planning Regulations

Conservation and Climate Change

The key policies in this section are: Climate Change Framework. Action on Climate Change. Sensitised Population. Conservation.

Environmental Management

The key target is to achieve 95% compliance with environmental sector laws and regulations. The main policy areas are: Environmental Policies and Regulations. Capacity Building. Information and Monitoring. Raising Public Awareness.

IMPLEMENTATION STRATEGY FRAMEWORK

Part 3 sets out the Implementation Strategy Framework for the LSDP covering Finance, Governance and Capacity Building, Monitoring and Performance Review. The Implementation Framework will apply to all four Pillars and their various sub-sectors and through that to the MDAs. The Ministry of Economic Planning and Budgeting is the main agency in plan implementation supported by the Office of Transformation. The other key agencies helping to direct and ensure the LSDP is implemented by all MDAs will be the Head of Service and the Ministry of Finance. Other support services for plan implementation will come from Ministry of Justice, Office of Public Private Partnerships, Projects Monitoring

Office and the Office of the Auditor-General.

Finance (Chapter 11 for details)

The purpose of this chapter is to present the steps the State will take to create enough money to finance attainment of the State Vision, Strategy and Policies and to meet the needs of the citizens through balanced annual budgets.

Investment and Financing Requirements

Between 2012 and 2025, the State Development Plan will require an investment into the economy of many trillions of Naira. There will be additional expected costs for running the Government. An outline of the requirements for each sector is described in the main document. *(NB: It must be stressed that the purpose of these figures is to provide an idea of the scope of the LSDP and the approximate scale of financial requirements if the Vision is to be fulfilled. They are not estimates of properly costed works.)*

Revenue Projections

Based on current budget assumptions, the following are the projections for the State revenue up to 2025.

Projected State Revenue 2011-2025 (N millions)(Simplified version of Table14)

Source	Millions Naira				
	2011 Budget	2012 Budget	2015 Budget	2020 Budget	2025 Budget
Internal Revenue	262,620	280,914	341,369	432,284	511,709
Federal Transfers	89,700	118,920	149,210	168,405	199,819
Capital Receipts	19,261	25,677	20,758	23,863	28,495
Financing	150,569	145,593	88,791	70,735	35,758
TOTAL	352,320	399,834	490,579	600,689	711,528

Source: MEPB 2012

Despite the impressive growth in the IGR and consistent levels of Federal transfers over the last few years, a significant budget funding gap is inevitable in view of the huge investment that infrastructure, environment and social development requirements. Revenue from IGR will effectively be swallowed by the Social Development and Environment sectors leaving very little for infrastructure and support for

the productive sector. The State will therefore seek innovative ways of increasing this revenue, improving efficiency in the management of the budget and engaging other stakeholders in bridging the gap. While this is happening, the Sectors and MDAs will adjust their targets accordingly but with the plan targets remaining in focus. Adjustments will be made through the annual reviews of MTSS.

Financing Options and Direction

Internal Generated Revenue

There has been massive increase in amounts generated through the Internal Generated Revenue exercises over the last few years. The IGR contribution to the State budget has risen from about half a billion a month in 2006 to about 18 billion a month in 2012.

Lagos State Debt Issuance Programme

The State will be extending its successful and current Multi-tranche Debt Issuance Programme, which was designed to support the infrastructure development agenda. However, it will seek to manage this debt so that it does not end up borrowing so much that it mortgages its future. The State has also commenced discussions with the World Bank on a Development Policy Operation (DPO). One of the benefits of the DPO is the provision of Policy-Based Guarantees (PBG) to extend the tenures and enhance the rating of debt instruments issued by the State.

Multi-lateral agencies financing

Financing from multilateral agencies has complemented the Debt Issuance Programme and helped to deepen the financial base of the State, especially in social sectors such as education, health and urban renewal. The World Bank and the French Development Agency (ADF) have been the key players in loan support. Grant support has been forthcoming from a number of UN and multi-lateral agencies, details are on Page 153.

Public-Private Partnership

The State's Public-Private Partnership (PPP) initiative has been an effective way of accelerating the delivery of infrastructure and stimulating economic growth. Accordingly, the PPP programme will be carefully restructured to encourage the flow of Foreign Direct Investment (FDI) and private capital into the State to complement the effort of the State's agenda of poverty alleviation and urban renewal through infrastructural

development.

Public Financial Management

The Plan financing requirements plus the need to gain the confidence of multilateral and bilateral agencies, as well as manage the risks of public borrowing, demands strengthened public finance management systems. The State is aware that some of the financial strategies it has adopted in the past to finance additional infrastructural requirements have resulted in financial obligations and contingent liabilities for the State. The State is clear that it has to effectively manage the resultant financial risk to ensure that all financial obligations are met as and when due while the State maintains fiscal sustainability. The State is also aware that the issue of budget realism has continued to be a source of concern to development partners.

Governance:(Chapter 12 for details)

Good Governance will seek to ensure that: There is a planning, budgeting and coordination system that allows the policies and programmes in the LSDP to be implemented. The State Administration is delivering services people need in a fair, efficient, accountable and transparent manner. The State is providing conducive environment for business and external support that encourages the private sector to perform its corporate responsibility; and external agencies to provide support in a coordinated and integrated manner so as to encourage new investment, job creation, infrastructure and social services. The State Administration continues to recognise civil society as equal partners in development and involves them in formulating development policies as well as in decision-making. The State Government is decentralising functions and devolving powers to local government authorities to bring development and governance closer to the people.

The key elements covered in Chapter 12 are:

- Sound Planning, Budgeting and Coordination systems
- Delivery of Relevant and Appropriate Services
- An Environment for Business and External Support
- Civil society as equal partners in development and in decision-

making

- Development and governance closer to the citizens through decentralisation
- Development Objectives of each main Sector

Capacity Development

The capacity building programmes produced will combine the following: Strengthening of leadership and coordination; provision of physical resources; provision of training funds and training; provision of technical assistance in the form of advisors and/or facilitators; policies, laws and regulations; and, monitoring and evaluation to focus on the performance of the MDA as a whole.

Provision of strong leadership

The following four offices will continue to provide the necessary leadership for the LSDP:

- Ministry of Economic Planning and Budget
- Office of the Head of Service
- Office of Transformation
- Ministry of Finance

The executive will continue with senatorial/business/community meetings to ensure all resources are channelled towards achieving the vision of the State.

Improved Coordination

It is important to bring together all MDAs that are more closely related and whose activities have a significant impact on the achievement of objectives and targets at each Development Pillar or sub-sector in that Pillar and draw their attention to the relevant section of the plan. This will be achieved through the design and implementation of a standard instrument/template that will create the necessary opportunity for dialogue between sectors on supporting each other. A table is presented in Annex 2 that maps all MDAs by COFOG and sub-sector. This provides a register of MDA responsibilities for the implementation of the LSDP.

Implementation, Monitoring and Review(Chapter 13 for details)

The Implementation Programme

The Implementation Programme will consolidate LSDP efforts and bring

about:-

- A list of projects and programmes for implementation
- A list of agreed priorities and their sequencing in terms of implementation
- Budgets which reflect agreed strategies and priorities that are realistic and able to adapt to changing circumstances.
- Action plans for the agreed priorities specifying tasks, roles, key players and time frame.
- Planning systems that provide an enhanced framework for improved living and greater opportunities for enterprise
- Coordination mechanisms that ensure all partners and all MDAs are geared to achieving state-wide aims, strategies and policy directions.
- Monitoring and evaluation procedures that allow for open and transparent performance management to be reviewed and publicly assessed.

Monitoring and Evaluation

Monitoring is the key activity in ensuring that the policy development and the review process results in changes that improves the quality and pace of the implementation of the LSDP. The M&E approach adopted by the MTSS is known as a Results-Based M&E System. The details of this are contained in Annex 3. Reliable information will be an important input to the various review processes into which the LSDP will now be a part of. These include the State Peer Review Mechanism (SPRM). The MTSS process which utilises the Performance Management Review process, (Annex 4 refers) and the monitoring of Performance Agreements and Service Charters.

The Review Process

Whilst the LSDP should be subject to an Annual Performance Management Review along the lines of the recently agreed Performance Management Review Process for the State it would be appropriate to conduct such Annual Reviews as a relatively simple exercise, noting trends and serious potential diversions from long terms aims and outcomes. A more thorough exercise, involving a thorough review with all stakeholders, may be held every 5 years. In both cases the basic approach will be the same.

Chapter 1

Introduction

1.1 A Vision for Lagos

By 2025 Lagos will be...

Africa's Model Mega City and Global, Economic and Financial Hub
that is Safe, Secure, Functional and

Productive Achieved by

Poverty Eradication and Sustainable Economic Growth through
Infrastructural Renewal and Development

The Vision and Mission for Lagos State has many dimensions.

People and Poverty Alleviation

The Vision and Mission for Lagos intends to unite all Lagosians in a joint endeavour to eradicate all the negative points of life in the State and secure a better standard of life for current and future citizens. At the same time the Vision seeks to unleash the creative and dynamic potential of the city to the benefit not just of all in Lagos but for the good of the region, the nation and the African continent.

Functionality and Productivity

The Vision and Mission recognises that for Lagos to be a model megacity operating as a global economic and financial hub it must function efficiently and be economically productive so as to create sufficient wealth to end poverty and bring widespread benefits to all the citizens of the State. Improved investment will result in job creation and increased productivity but this will only come about in sufficient strength if the city is seen to provide appropriate means of production. These equate to the State being properly functional in all the basic necessities of modern urban life such as power, water, serviced and available land, good electronic connectivity, ease of communications as well as quality, social and cultural services. A further implicit recognition is that these things must be provided in a sustainable manner that takes due regard of the environment in all its manifold aspects and ensures resources are conserved and risks appropriately managed.

Managing the Growth and Spread of Lagos Metropolitan Area

In planning the future growth and spread of the city, Lagos State will have regard to three important considerations. In the first place, recognition will be given to the special contribution made by all parts of Lagos to the city's development and efforts made to stimulate and support those special aspects of development that best suit those different areas. The historic division of Lagos into the five main geographical areas: Ikeja, Badagry, Ikorodu, Lagos Islands, and Epe (known colloquially as IBILE) continues to have a resonance today. The diagram below illustrates the existing and potential strengths of each broad division of the city. Growth points, Enterprise Zones and other mechanisms to stimulate development will be deployed in an equitable manner in all five parts of IBILE.



18

The second consideration relates to the physical expansion of the city within the confines of the State. Lagos will continue to develop its two existing growth corridors; to the east along the Lekki peninsula and to the west in Badagry. A third possibility will be to the north-east so as to link Ikorodu with Epe. The special advantages offered by the proposed new airport and docks in Lekki will be maximised in the course of the plan. To the east the development opportunities afforded by the Badagry expressway will be realised. An Ikorodu-Epe corridor would offer new opportunities for locating heavy industries and agro-processing plants.

The third consideration relates to the need to maintain and develop a strong relationship with the neighbouring Ogun State to ensure a proper planned expansion of the Lagos Metropolitan area across borders to the west and north of Lagos State. This expansion has been underway for some time and requires a comprehensive physical and administrative plan covering the whole area that the City of Lagos is likely to grow into over the plan period.

Democracy and Governance

As one of the current 27 megacities in the world, Lagos already commands global attention. Whilst the legacy of past neglect still clings to the city, it is rapidly transforming that image through strong reforms in all areas of governance and city management. But Lagos has lofty aims and desires to go much further and to become Africa's beacon metropolis, a model megacity. Democracy has always been vital to Lagosians and within that broad concept equal rights, protection of minorities, freedoms of religion and expression have been secured through the rule of law, justice, civil protection, human rights, dispute resolution and free and fair elections. Becoming a Model Megacity is predicated on a continuation and entrenchment of these fine traditions.

Good governance requires a range of attributes, among them a responsive and accountable public service, the provision of accessible vital services that meet the needs of the people, quality leadership in public affairs and the adoption of good planning and coordination practices. These are significant tasks that require the continued cooperation between the Executive, Legislature and Judiciary. The Executive shall maintain the demand side of Governance by listening to its clients, who are the users of public goods and services provided by it. The House of Assembly will provide a proactive role by passing implementable laws and connecting with the electorate and the Judiciary will provide a fair application of the

rule of law in mediating disputes and transgressions.

Safety and Security

After many years of neglect, Lagos became prone to a lack of safety and security with high and violent criminality and this marred life for many citizens and deterred visitors and investors. The trend has gradually subsided over recent years with a major improvement in the operation of policing, the enforcement of law and regulation and the general restoration of order and pride in the environment. The creation of a Rapid Response Squad that can quickly deal with violent crimes or emergencies has also contributed to a generally welcomed enhancement of security in the metropolis. Dealing with periodic flooding and making plans for managing risk especially associated with climate change has also improved through the work of the Lagos State Emergency Management Agency (LASEMA) among others. The world has been slow to appreciate the positive changes that have taken place in Lagos over this past period. Improved publicity and a continued effort to imbue the citizens of Lagos and those charged with guarding public safety and security with a sense of personal and civic responsibility is intrinsic to the Vision, and therefore a major thrust of the LSDP.

Transformation

Lagos has been the jewel in the crown of Nigeria for generations. Despite her no longer being the capital city, it has remained the premier city in terms of size, dynamism, economy, finance and culture. This State Development Plan seeks to build upon this legacy and help drive Lagos to greater heights. Lagos has for some time now been classified as a Megacity by virtue of its size. With a population of over 20 million in 2012, it is expected to grow by a further 7 million by 2025 and could become the third largest city in the world. Whilst the metropolitan area of Lagos dominates Lagos State, it is important to recognise that the State includes important rural areas with agriculture as the dominant activity as well as large tracts of inland water. Lagos had, in the past, been described as a failed city because of the extreme levels of poverty, poor safety and security, inadequate infrastructure, weak social services and a polluted and vulnerable environment. Whilst many of these problems remain in some form there have been considerable improvements in many key areas over the past 10 years. This Plan will continue and seek to accelerate that process over the next 13 years to 2025.

National Growth and Global Influence

Lagos currently operates as a national and regional economic hub for Nigeria and West Africa respectively. Given this foundation coupled with its fine location, international air and sea linkages, it can go much further and become a global centre both financially and economically. Nigeria has the potential, given its human and physical resources, its large size and population to become a major global economic player. If it can improve governance and enhance security, Nigeria has the capacity to increase indigenous capital formation and absorb large amounts of international capital so as to stand alongside the other emerging global economies of Brazil, Russia, India, China and South Africa (BRICS) and thus change the acronym to BRINCS. Lagos will be crucial to this development. It is destined to become the largest metropolis in Africa within the largest nation in Africa. As well as this vast hinterland Lagos is geographically well placed to serve all the major markets of the world and is especially able to link across the Atlantic to Brazil and south to South Africa. These key attributes: huge local and national populations, extensive and convenient trade routes and a strong base in Finance, Manufacturing and Service Industries can help to ensure Lagos fulfils its Vision to be a Global Economic and Financial Hub.

1.2 Purpose and Scope of the Plan

The rationale for the development of a new long term Lagos State Development Plan (LSDP) for Lagos resides in the need to harness the vision for Lagos as future model mega city to a clear set of policies and strategies that will guide public, private and civic investment in economic, infrastructural, social and environmental programmes. The benefits of having a long-term plan that provides an integrated approach to development, grounded in a clear assessment of need and what can be realistically achieved has been widely accepted as an urgent need by all sectors, including international donors.

The purpose of the LSDP is to provide overall direction for the growth and development of the State. It will provide a framework through which all sectors of the economy – public, private and civil society - can direct their energies and contribute to the improvement of the quality of life of people in the State. For all sectors, it will provide the means through which their performance can be evaluated against the set goals and objectives. The plan will also be a vehicle through which the State

Government can publicise to the general public the direction in which the State intends to advance development over the coming ten years and beyond. Finally such a plan will also be an important framework for international assistance.

The scope of the plan is comprehensive in that it embraces all the main drivers of development in the state: economic; infrastructural; social and environmental. Issues of governance are also fundamental to the future direction of the Lagos Mega City and these are considered as cutting across all aspects of development. This plan is itself an aspect of transparent and motivational governance, designed to set out clearly the goals and vision for a future city and the strategic route to achieving these aims that can be monitored and for which all actors in the process can be held to account.

The LSDP has been undertaken by the Ministry of Economic Planning and Budget, with the support of State Partnership for Accountability, Responsiveness and Capability (SPARC) and their consultants and in consultation with MDAs and sectors.

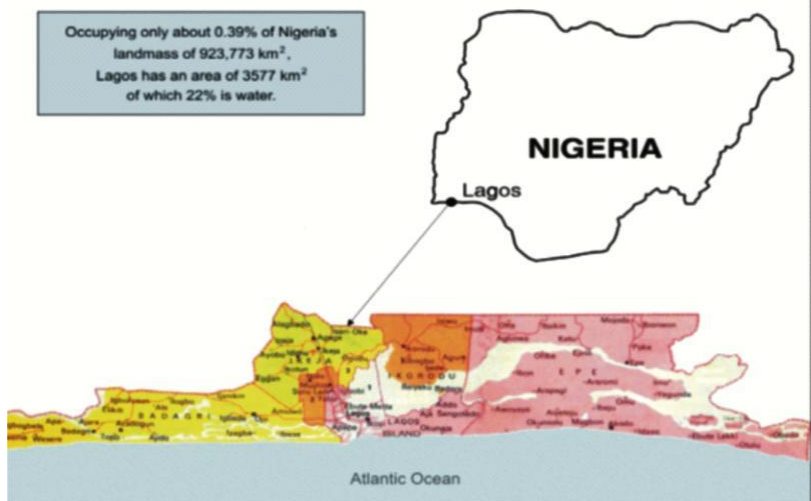
The plan is about vision, policy and strategy, that is, where the State wants to be by 2025 and how it will get there (what it will do and how it will do it). The plan will not describe the details of every project or programme that the State intends to implement. This detail is to be developed and contained in the Medium Term Economic Framework (MTEF) and individual Medium Term Sector Strategies (MTSS) and annual budgets and programmes.

1.3 Background

1.3.1 Geography

Lagos State is located in the south-western part of Nigeria on the narrow plain of the Bight of Benin. The State is bounded in the north and east by Ogun State and in the west by the Republic of Benin, and stretches over 180 kms along the Guinea Coast of the Atlantic Ocean. Its territorial extent and political jurisdiction encompass the city of Lagos and the past administrative divisions of Ikeja, Badagry, Ikorodu and Epe collectively referred to as IBILE. The State is the smallest in Nigeria covering 3,577 sq. km., or 0.4% of Nigeria's territorial landmass. The Map below shows Lagos State and its position within Nigeria.

Lagos State Map Showing its Position within Nigeria



See enlarged Map on page 285

Lagos State is a predominantly low, wetland area. 22% of the State comprises lagoons, rivers and creeks. A further 18% can be subject to flooding. The dominant vegetation consists of the freshwater and mangrove swamp forests, both of which are influenced by the rainfall pattern resulting in two climatic seasons: dry (November-March) and wet (April-October). The drainage system is characterised by a maze of lagoons and inland waterways which connect the State to the Atlantic Ocean. The major water bodies are the Lagos, Lekki and Ologe lagoons, and the Yewa, Kweme, Oshun and Ogun rivers. Others are Kuramo Waters, and the Badagry, Port Novo, Five Cowries and Omu Creeks. Given that the current built-up area of Lagos State is over 80% of the main land, area there are limited options for future growth within State boundaries because of the low lying nature of the land and the need to maintain both open land for recreation and agricultural and forestry areas for economic benefits. The current drive to expand east along the Lekki peninsular and beyond utilises one of development opportunities within State boundaries. Another, taking development to the west, via Badagry will be accelerated by the current development of the Badagry expressway.

1.3.2 History and People

Lagos State was created on May 27, 1967 by virtue of Decree No. 14 of

1967, which restructured Nigeria's federation into 12 States. Prior to this, Lagos Municipality had been administered by the Federal Government through the Federal Ministry of Lagos Affairs as the regional authority, while Lagos City Council governed the city. Equally the metropolitan areas (colonial province) of Ikeja, Agege, Mushin, Ikorodu and Epe were administered by the Western Region. The State took off as an administrative entity on 1. April 1968, with Lagos Island serving the dual role of state and federal capital. However, with the creation of the Federal Capital Territory, Abuja in 1976, the capital of Lagos was moved to Ikeja. Equally with the formal relocation of the seat of the Federal Government to Abuja on 12. December 1991, Lagos ceased to be Nigeria's political capital. Nevertheless, Lagos remains the nation's economic and commercial capital.

Lagos State is a melting pot of cultures attracting diverse populations from within and outside Nigeria. Nevertheless, the State consists principally of three indigenous Yoruba sub-ethnic groups: the Awori in Lagos (Eko), Ikeja and parts of Badagry; the Ogu in Badagry; and the Ijebu in Ikorodu and Epe. There are also pockets of Lagos Awori along the coastal areas. The cultural identity of the Yoruba people, who comprise some 70% of the State's people, is strong and is an important galvanising force for positive reform and development. At the same time the presence of other groups such as Igbo, Edo (Bini), Hausa, Efik, Ijaw, Nupe, Urhobo, Igbira, Ibibio, Isoko, Tiv and a significant number of non-Nigerians from African and European countries provides a vibrant diversity that can also be deployed to Lagos' advantage.

1.3.3 Government and Administration

The State Government consists of three arms: executive, legislature and judiciary. The executive is vested in the Governor, who is assisted by the Deputy Governor and the State Executive Council. The Council, which is the highest policy-making organ of the State, is complemented by permanent secretaries who implement the decisions of the executive through a number of public establishments, notably ministries, departments, and agencies (MDAs). The 40-member Lagos State House of Assembly legislates for good governance in accordance with the powers vested in it by the 1999 Constitution of the Federal Republic of Nigeria. The Assembly exercises oversight responsibilities on the executive and considers public petitions in order to ensure due process and compliance

with best practices.

Lagos State, an autonomous entity within the Federal Republic of Nigeria, has its administrative and political capital at Ikeja, 30 kilometres north of Lagos Island. It was originally made up of five administrative divisions, namely Lagos (Eko), Ikeja, Ikorodu, Epe and Badagry, created by virtue of Edict No.3 of April, 1968. These are now further subdivided into 20 LGAs in line with the nation's three-tier federal structure. However, in recognition of the State's special challenges - and in order to bring governance, development and participatory democracy closer to the people - 37 development councils were created from the existing LGAs in June, 2002.

1.3.4 The Expanding Population of Lagos

Lagos has always been Nigeria's most populous city but its rapid growth began in the 1980s and has continued to this day. This growth is fuelled by a large amount of in-migration from the surrounding rural areas as well as from further afield. Lagos reached a Mega City status (cities over 10 million) by 1995 and the State Bureau of Statistics estimates that its current (2011) population stands at just over 20 million. By 2015 it is estimated that Lagos will be ranked as the third largest city in the world after Tokyo and Mumbai.

The base for these projections lie in the major census exercise carried out in the State in 2006, alongside a national census that was widely expected would considerably under-estimate Lagos' population. This exercise also aligned with estimates by UN-Habitat in 2002.

Table 1: Population by Sex and Local Government Area, Lagos State: 2006

Local Government	Male	Female	Total
Agege	564,239	468,825	1,033,064
Ajeromi - Ifelodun	723,644	711,651	1,435,295
Alimosho	1,099,656	947,370	2,047,026
Amuwo Odofin	301,012	223,959	524,971
Apapa	264,728	257,656	522,384
Badagry	187,427	192,993	380,420
Epe	153,360	170,274	323,634
Eti - Osa	460,124	523,391	983,515
Ibeju - Lekki	49,613	49,927	99,540
Ifako - Ijaiye	380,112	364,211	744,323
Ikeja	328,778	319,942	648,720

Local Government	Male	Female	Total
Ikorodu	364,207	324,838	689,045
Kosofe	527,539	407,075	934,614
Lagos - Island	461,830	398,019	859,849
Lagos - Mainland	326,433	303,036	629,469
Mushin	684,176	637,341	1,321,517
Ojo	507,693	433,830	941,523
Oshodi - Isolo	514,857	619,691	1,134,548
Somolu	517,210	507,913	1,025,123
Surulere	698,403	575,959	1,274,362
STATE TOTAL	9,115,041	8,437,901	17,552,942

Lagos State Census: 2006

The State was estimated to have been growing at between 6% and 8% annually during the 1990s and 2000s, making it one of the fastest growing cities in the world, growing 10 times faster than New York and Los Angeles. Indeed, the current population is about half that of Kenya, almost the same as that of Cameroon, and more than the combined population of 32 sub-Saharan African countries. Urbanization studies have shown that the Lagos-Lekki corridor (Lagos south east) is growing at about 16.6% annually. Overall, human dynamic growth in the State is about 600,000 annually. Whilst this presents substantial potentials, it also poses enormous challenges for governance and sustainable development.

The Lagos Bureau of Statistics has projected from the 2006 base estimates for the population of Lagos up to 2015 as follows:

Table 2: Population Projections for Lagos 2006-2015 (Millions)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	17.5	18.1	18.7	19.2	19.8	20.4	21.1	21.7	22.4	23.1

Source: Lagos Bureau of Statistics, 2011 Digest

It should be noted that these projections are based upon a much lower growth rate of 3.2% per annum than the higher rates believed to have pertained in the past. Nevertheless this growth represents a considerable challenge to the State of Lagos.

If projections are made on the same assumption of a 3.2% p.a. growth rate then Lagos should be planning for a city of just over 28 million by 2020. This represents an additional 7 million people living in Lagos between 2012 and 2020.

1.4 The Lagos State Development Plan: The Planning Context

1.4.1 The Planning Framework

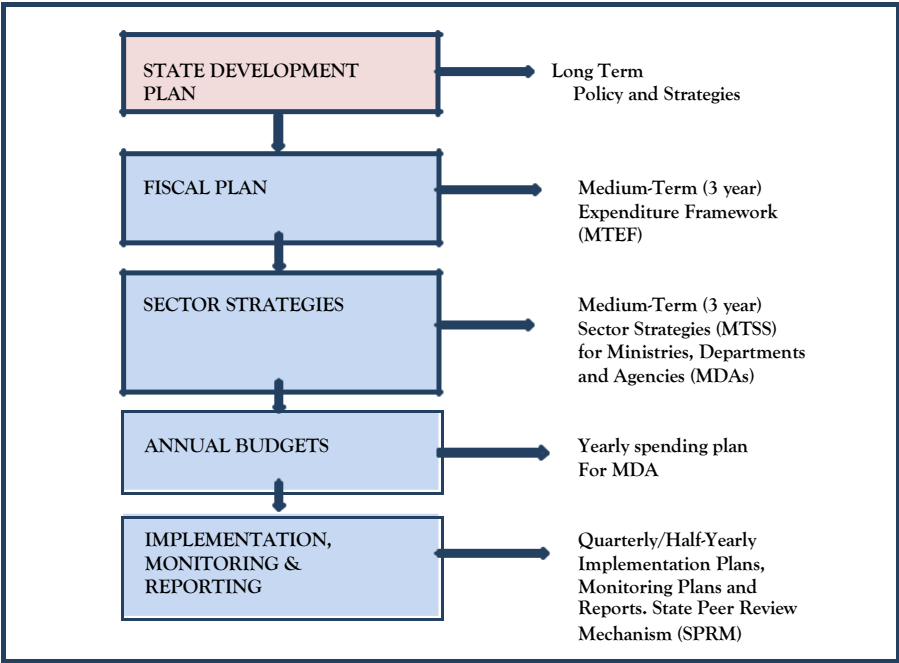
The LSDP will operate within the existing planning framework of the Lagos State by providing the apex plan that sets the overarching context for all the other plans and planning activities of the State. This is shown in the diagram below.

The LSDP builds upon previous long-term strategic planning exercises such as the Strategic Management Framework (2009) and Vision 20:2020 (2009). It also takes account of the previous shorter-term strategic documents such as the 10-Point Agenda, 2003-2007 and the Lagos State Economic Empowerment and Development Strategy (LASEEDS) 2005-2007. In addition, account has been taken of the Development Agenda for Western Nigeria (DAWN) prepared in 2011.

The LSDP sets the overarching long term framework for the Government's planning system. Whilst the State has evolved a useful system of medium term and annual plans they lack the rationale and guidance of a long term plan with an integrated set of strategies that should guide and frame the selection of priorities at the specific sector level. The LSDP will provide the context and direction that will inform the preparation of a Medium-Term Expenditure Framework (MTEF). The METF projects likely availability of resources and expenditure pattern over a 3-year horizon. The MTEF creates space for each Sector Strategy and eventually links to the Annual Budget, the authorization framework for the annual spending of Ministries, Departments and Agencies (MDAs). Medium-Term Sector Strategies (MTSS) identify goals and objectives for the key sectors over a three year period and translates these, within the confines of sectoral expenditure envelopes, into affordable fully-costed and well-defined set of initiatives over the same period. The MTSS thus represents a crucial link in the process of translating the LSDP into the spending reality of the Annual Budget.

The LSDP also sets the overarching policies, strategies and targets for the development of Lagos that will be regularly monitored and reviewed. The LSDP will also feed into the State Peer Review Mechanism (SPRM) and Report (SPRR). All these features are reflected in the diagram below:

Fig. 1: The Planning Framework for Lagos State

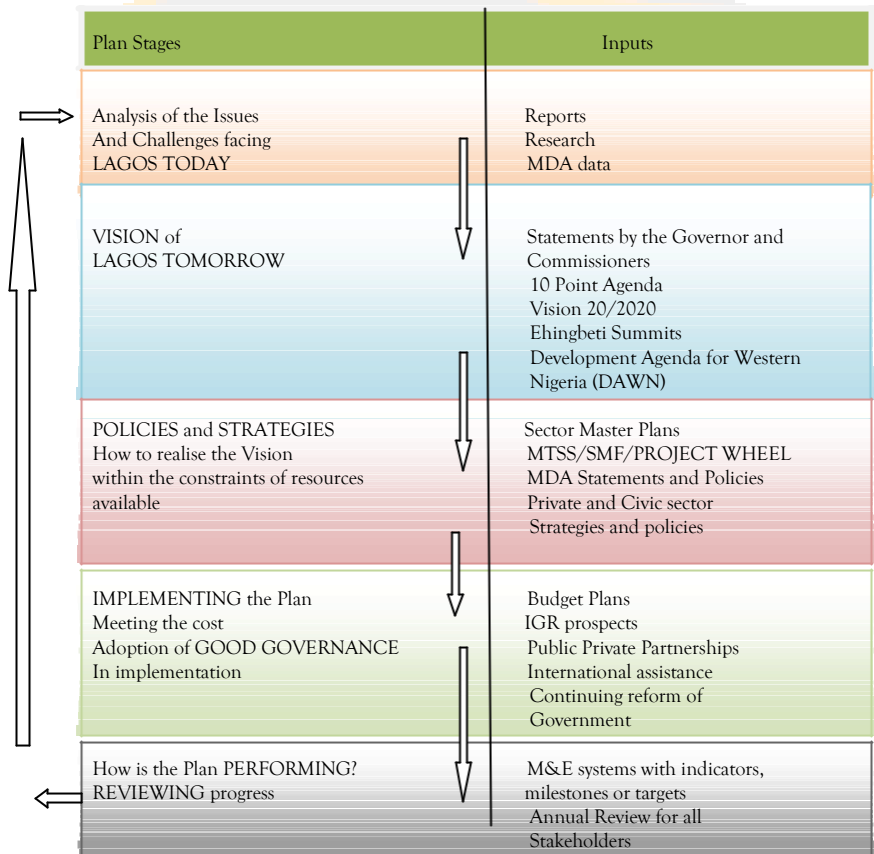


1.4.2 The LSDPPlan Process

The plan process adopted for the LSDP followed a typical set of stages normally undertaken in developing any plan. The process began by looking at the main issues and challenges facing Lagos Today. This drew upon previous State reports, current statistics, especially those published by the Lagos State Bureau of Statistics and other reports and documents. The Vision and Mission Statements are those that have been adopted by the State. In considering the detail and background to the Vision reference has been made to key documents such as Vision 20:2020, the 10-Point Agenda, DAWN and the elaborations of the way forward made by the Governor, Commissioners and other state leaders. The development of a coherent and rational set of policies and strategies for realising the Vision was undertaken by harmonising existing sector

policies and strategies as outlined in sector master plans, presentations to Ehingbeti Summits and statements by the Governor and other leaders. The LSDP planning process sets out how the Policies and Strategies may be realised through a sound Management and Implementation framework. Principally this means ensuring that the key aspects of the LSDP can be financially met and that the governance approach required to drive the plan forward with strong support of all stakeholders is in place. Finally, the plan sets out how the performance can be measured through setting appropriate targets and what monitoring and review processes are required. The review process then leads cyclically to ensuring the plan has retained relevance and adopting any necessary changes. This plan process is shown below along with the principle inputs utilised at each stage.

Fig. 2: The Lagos State Development Plan (LSDP): Planning Process



The consultative process adopted for the LSDP follows established Lagos State procedures. The vision and the key policies and strategies have been the subject of considerable debate at successive Ehingbeti Summits, where there has been considerable consensus between the main sectors, public, private and civic as to the way forward for the State. The broad political approach of the current administration in shaping a development and reform agenda has been endorsed by many public meetings and by the electorate in successive elections.

Within the state administration the process of approving the LSDP through the Executive Council and then allowing a broader consultative process to follow, involving the House of Assembly, so that all sections of society appreciate the details of the LSDP, comment and adopt its strategic approach as the guide for their own development activities.

1.5 Arrangement of the Plan Document

Following this first Introductory Chapter, the document is divided into three main Parts as follows:-

- **Part 1** looks at Lagos Today, examining the various current aspects of the State in four main Development Pillars. Each Pillar represents a major grouping of sector activities. These are the Economy, Infrastructure Development, Social Services and the Environment.
- **Part 2** deals with Lagos Tomorrow beginning by setting out the Vision for a future Lagos in a series of related aims. The rest of this Part then follows a similar pattern to Part 1 with four Development Pillars. Broad Policies and Strategies are established for each Pillar and the more specific objectives and targets of each component.
- **Part 3** looks at the Implementation Framework, considering the Finance, Governance and Capacity Building, Implementation, Monitoring and Performance Review aspects of the Plan. These are cross cutting issues and so the question of Pillars does not arise in this part.

1.6 Complementary LSDP Documents

Alongside this main document of the LSDP there are two other documents. The first is an Abridged LSDP that has been produced to allow for a full overview of the contents and scope of the LSDP produced in a manner that allows for a rapid grasp of its essentials. The second is an Implementation Programme (IP), which provides more detail on the way

the LSDP is phased, priorities adopted and linkages made to existing plans such as the Medium-Term Sector Strategies (MTSSs) and Annual Budgets. The IP will also set out high level outcomes and Key Performance Indicators (KPIs) as well as providing Sector PKIs that will mesh with existing indicators and approaches developed for the MTSSs.





PART 1 LAGOS TODAY

Chapter 2

The Economic Development Pillar

2.1 Pillar Overview

The Lagos economy is the key to its future as a vibrant mega city able to meet the needs of all its citizens and fulfil its potential. It is an economy of considerable contrasts. On the positive side it can boast a variety and depth of economic activity that no other Nigerian city can emulate. On the other hand unemployment, under-employment and poverty levels are high leaving the majority of the people to struggle to maintain a decent existence.

The strengths of the Lagos economy are borne out by a few statistics shown in the box below:

- 35% Contribution to National GDP
- 62% Contribution to Non-Oil National GDP -
- (2004) 60% of nation's value added manufacturing
- Largest Stock Exchange in West Africa
- 200 financial institutions
- Over 10,000 industrial & commercial concerns
- HQ of many national and international corporations
- Lagos Ports contribute 50% of national port revenue
- 45% of Nigeria's skilled labour force
- Over 70% international air traffic (50% local)
- 50% of national energy consumption
- 20% of all MSME's in the country

life.

According to the latest report on Lagos Gross Domestic Product (GDP), based upon a 2010 survey (Lagos Bureau of Statistics) if Lagos were a country in its own right, its GDP of \$80 billion (2010) would make it the eleventh biggest economy in Africa and the largest among all ECOWAS countries. In city terms, Lagos' GDP ranks as the fourth largest in Africa after, Cairo, Johannesburg and Cape Town. Annex 1 has more detail.

Whilst a figure for a Lagos specific economic growth rate is not available, the latest national growth rate of 7.8% (2011) for Nigeria provides a good indication of a likely Lagos growth rate too. At 7% p.a. an economy doubles in size in 10 years.

In terms of Lagos economic weakness a key issue is the number of people that are either unemployed, under-employed or marginally employed. However, the actual level of these categories in Lagos is unclear. According to the 2011 Lagos Household Survey, 12% of the sampled respondents said their status was unemployed and 31% as having a wage or other paid employment. The bulk of respondents (57%) reported that they were self-employed. The vast majority of these will make up the army of those engaged in the informal economy, which will cover a range of occupations with varying degrees of marginality in terms of incomes.

Poverty is closely related to household income. The 2011 Household Survey indicates that 27% receive less than N20,000 monthly from all sources while 37% earn between N20,000- N 39,000 monthly, 23% earn between N40,000- N59,000, 8% earn between N60,000 - N 79,000 while 5% earn more than N79,000. At least 64% of households have to survive on N40,000 or less per month, or a maximum of N8,000 per person per month, the equivalent of about N270 per day or less than 2 US\$ per day, higher than what is usually regarded as a level of absolute poverty. General statistics on poverty in Nigeria record a worsening of the situation over the past few years.

It is important to stress that the Lagos economy operates within the Nigerian economy, which in turn is subject to global economic conditions. Lagos is therefore subject to many macro-economic factors beyond its control. The international price of crude oil and national policies concerning oil is one important factor. Another is the national rate of inflation. This has been consistently high at or around 10%+ in recent years, as the graph below demonstrates:

Fig. 3: Nigerian Inflation Rate 2008-2012



2.1.1 Summary of Economic Issues

The Lagos economy has much strength, as noted above, but it also faces many challenges. These are summarised in the box below:

Job Creation

- There is a need to create a large number of jobs, especially in the formal sector.
- There is a need to unleash the potential of the SME and Informal Sectors so as to encourage potential growth enterprises and create jobs.

Skill Training

- More investment is required in developing basic entrepreneurial skills as well as investment in technical and high technical skills training.

Investment

- Lagos needs to attract more private sector investment from overseas, nationally and locally through maintaining and improving its current incentive approach, increasing promotion and continuing to seek to solve issues of power supply and infrastructure provision.
- The process of setting up a new business must be made as easy as possible within appropriate regulations, so as to ensure Lagos meets international standards.

Innovation and New Technology

- There is a need to encourage greater innovation through collaboration with higher education institutions, creating science and technology parks etc,

- Ensuring Lagos meets the latest standards in broadband computing and cellular phone technology will be the key to attracting new investment.

Broadening the Economic Structure

- Potential growth industries and sectors, such as Agri-Business, Tourism, Construction (Housing etc) and Manufacturing need to be encouraged so as to diversify the local economy and ensure greater resilience.

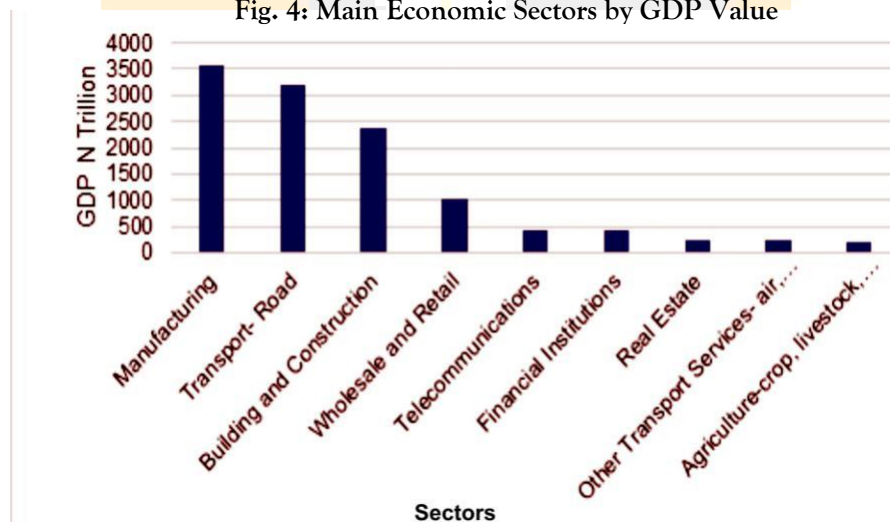
Table 3: Lagos GDP by Main Economic Activities 2010

Economic Activity	GDP by Sector in Naira	% Contribution
1. Manufacturing	3,579,463,339,251.23	29.60
2. Transport- Road	3,200,687,215,350.00	26.47
3. Building and Construction	2,381,940,148,581.23	19.70
4. Wholesale and Retail	1,014,596,807,930.78	8.39
5. Telecommunications	448,213,971,739.13	3.71
6. Financial Institutions	424,041,994,474.73	3.51
7. Real Estate	242,974,154,376.00	2.01
8. Other Transport-services, air, water, rail	238,148,689,005.71	1.97
9. Agriculture-crop, livestock, forestry, fishing	214,043,368,159.31	1.78
TOTAL	11,744,109,688,868.12	97.14

Source: Lagos State GDP 2010 Survey Report, 2013, Lagos Bureau of Statistics.

This dominance of the big three sectors can be seen diagrammatically in the figure below:

Fig. 4: Main Economic Sectors by GDP Value



Source: Lagos State GDP 2010 Survey Report, 2013, Lagos Bureau of Statistics.

The main economic activities are considered in more detail below in terms of Manufacturing, Transport, Building and Construction and Communications sectors. Other sectors are also described including the Service Sector broken down into various sub-sectors followed by Agriculture and Minerals. A concluding section looks at Micro, Small and Medium Enterprises (MSMEs) that also covers the Informal Sector.

2.2 Manufacturing

Manufacturing is an important sector both in terms of large scale concerns such as the newly re-opened vehicle plant at Ojo and the micro, small and medium enterprises (MSMEs). Despite the overall importance of manufacturing in terms of its contribution to GDP much remains to be done to improve productivity and enhance the scale and value of the sector. To remain strong, manufacturing requires constant re-investment and adaptation to the latest changes in technology and demand. Developing the manufacturing sector to maintain its current position and then advance further will require the attraction of significant levels of capital investment. There is some potential for this but there are several obstacles to be overcome. This is discussed below. The MSME in manufacturing, both formal and informal, can contribute more in the future but will require increased access to credit, greater training and improved access to suitable land and transportation. This too is discussed below. One of the key features of large scale manufacturing is that it can make a significant contribution to tackling unemployment, underemployment and thereby help address the issue of poverty.

Presently the State has approximately 10 large industrial Estates located at Matori, Isolo, Ilupeju, Ikeja, Oregun, Apapa, Amuwo-Odofin, Ogba and Yaba accommodating several hundred enterprises as well as many smaller estates for MSMEs. To accommodate medium and large scale enterprises, the State Government has embarked on the development of two new Industrial Parks at Imota in Ikorodu and Ilara/Igbonla in Epe. The two new industrial parks are being designed to be agro-based. Imota Industrial Park is sited on a 22 hectare land while Ilara/Igbonla is on a 100 hectare land. Altogether, the two new parks when fully completed would accommodate about 300 medium and large scale enterprises providing employment for not less than 15,000 people directly and indirectly.

In a recent Public Private Partnership (PPP) arrangement a new N1bn auto-mechanics training centre has been opened in Ikeja by the Coscharis

Group. This will train young people to be automobile technicians.

2.2.1 Prospects for Manufacturing

Manufacturing is well represented in the Lagos economy and provides the major centre for this sector in Nigeria. However, there are opportunities for expanding the sector further, especially in agri-business, industrial chemicals and components for infrastructure, real estate and telecommunications. In the future there is no reason why Lagos could not become a major manufacturing centre for consumable goods such as cars, washing machines, computers and so on. Whilst efforts are being made to overcome the many obstacles to manufacturing growth, more will need to be done. The industry itself often cites as the four major obstacles a weak infrastructure (especially power and port congestion), poor monetary framework (especially the high cost of finance and the Industrial Development charge), archaic marketing regulations (Lagos State Signage and Advertisement Agency (LASAA) regulations are seen as burdensome) and the high cost of bureaucracy (for example the length of time taken to be able to start construction after a factory site is located). These are issues which are under constant review by the State. The issue of weak infrastructure has been recognised and is being vigorously addressed, as discussed in the next chapter. The State is also committed to trying to reduce burdensome bureaucracy for all businesses. Once these various factors are resolved, the prospects for a rapidly expanding manufacturing sector are considerable.

2.2.2 Summary of Manufacturing Sector Issues

- *Poor power supply is the most critical of the challenges*
- *Investment in transportation (tolled roads, Airports, sea ports), Logistics services and Infrastructure will be crucial to growth of this sector*
- *Prioritizing export oriented, technology intensive, globally competitive, heavy industries to take advantage of the availability of sea and air transportation*
 - *Metal/steel products*
 - *Extractive industries*
 - *Petrochemicals*
- *Investment in the education, development and deployment of highly skilled manpower to harness Lagos state's vast population*
- *Establishment of industrial parks/ clusters. The establishment of industrial clusters creates an environment for local manufacturers to thrive collectively and to strategically position themselves within Lagos.*
- *Increasing Public-private partnerships. PPP's result in the*

private sector bringing skills, core competencies and best practices to assist Lagos State in delivering high standard of services, products and public goods.

- *Micro, Small & Medium Scale Enterprises (MSME) Manufacturers can partner with Lagos State Government and private investors to leverage the indigenous contributions of SMEs and upgrade manufacturing capacity.*

2.3 Transport Sector

This sector covers the movement of people, goods, services and information by specific modes of transport such as roads, railways, airlines, shipping lines as well as transport services. It provides the second largest sector in Lagos by GDP value. The dominant factor in terms of value is road transport. The issue of transportation is also dealt with in the next chapter under Infrastructure.

2.3.1 Road Transport

Road transport is the most commonly used mode of transportation in the State today. This sector is one of the leading sectors driving Lagos economy. It also provided substantial employment opportunities to the population. Individuals, government at all levels and organized private sector are actively engaged in the road business activities with a view to providing qualitative means of transportation to the inhabitants of Lagos State. The establishment of Bus Rapid Transport (BRT) services has expanded the passenger's choice in term of service quality and timeliness.

2.3.2 Rail Transport and Pipelines

This sector covers passengers and freight transport by inter-urban railways. Railway transportation is on the exclusive list of Federal Government functions managed by Nigeria Railway Corporation with the mandate to provide transport links between productive and well-populated parts of the country with traffic origin and destination areas well separated. However, Lagos State only enjoys passenger fleets on the Iddo - Ijoko axis which represents a very low proportion of passengers as well as goods traffic volume usually carried by rail.

2.3.3 Water Transport

This involves sea and coastal water transport including inland transport.

Water transport includes transportation of passengers or freight over water, operations of tours, excursion, cruise or sightseeing boat, ferry and water taxis. Lagos being a coastal State with an enviable proportion of water mass, there is need to comprehensively overhaul water transportation system in the State. This would enhance reduction of road traffic congestion. Plans are underway to improve water transport and to this end investment in new ferry terminals and bus transport has been commenced.

2.3.4 Air Transport

Air transportation is the most sophisticated and fastest means of transportation involving movements of passengers and goods at appreciable speed, timely delivery and long distance scheduled or non-scheduled, the State enjoys proximity to local and international airports. About 51.3% of National passenger's traffic volumes which comprises both local and international were routed through Lagos Airports on annual basis.

A new international airport is planned for Lekki and work recently commenced to clear the designated land. This will be a major development and will serve to enhance the capacity of Lagos in regard to air transport. Whilst the primary role of the new Lekki airport will be to serve the vast new development currently underway in the eastern part of Lagos State, it will also assist in easing the pressure on the Murtala Mohammed Airport and so improve the attractiveness of Lagos as an investment centre.

2.4 Building and Construction/Housing Industry

The building and construction sector is the third largest in terms of GDP ranking in Lagos. This reflects the fact that not only is the city of Lagos expanding at a rapid rate but there has and continues to be major infrastructure projects. Among these has been a continuing programme of road and rail improvement, the major reclamation scheme on the Atlantic waterfront, the improvements to port facilities and the major works associated with the Lekki Free Trade area. This industry provides considerable employment to both skilled and unskilled and is likely to continue to be important in the future. A key component of the building and construction sector is housing. The housing market is a crucial element of the Lagos economy and housing need is critical component of social wellbeing.

2.4.1 Housing Need

There is a massive housing deficit in Lagos due to considerable slum housing, overcrowding and unmet demand from middle and high income households. There are no up to date estimates of housing need in Lagos but in 1980 the

Master Plan for Metropolitan Lagos estimated that 1.4 million new housing units should be built between 1980 and 2000. But, by 2000 only 10% of that number had been completed. This means there is a massive backlog of unmet need, probably in excess of 2 million housing units.

2.4.2 Slum Upgrading

The housing areas of the poor are thought to accommodate over 70% of the Lagos population, i.e. about 15 million people. Allowing for overcrowding and informal shack arrangements this might mean there are as many as 2-3 million substandard housing units in Lagos greater metropolitan area. Typically such areas include the older neighbourhoods of Mushin, Somolu, Bariga, Olodi-Apapa, Isolo, Oshodi, Sogunle, Mafoluku, Agege and more recent developments into the fringe areas such as Idimu, Egbe, Ikotun, in Alimosho LGA, and Ojo, Ajagbandi, Lemba-Hausa along the Badagry corridor. To try and tackle this problem the Lagos State Urban Renewal Board was set up in 1991 and re-structured as the Lagos State Urban Renewal Authority (LASURA) in 2005. In 1995 the World Bank identified 100 slum communities requiring upgrading. The current World Bank Lagos Metropolitan Development and Governance project (LMDGP) is seeking to upgrade infrastructure, including drainage and solid waste management, linked to improved governance and capacity building in 9 of the most blighted communities.

2.4.3 New Housing Initiatives

The Housing/ Real Estate sector in Lagos State is highly active and involves a significant degree of participation from both the Government and private sector companies. On the part of the Government, the Ministry of Housing in Lagos State has identified more than 50 sites for housing purposes in the past 10 years. The State government through the Lagos State Development and Property Corporation (LSDPC) has to date delivered more than 20,000 housing units in several housing schemes across the State. In addition the Ministry of Housing has added more than 5,000 housing units to the housing stock of Lagos since 1999. The State Government has also issued Certificates of Occupancy in respect of all housing estates owned by her agencies. This has made the grant of subleases to home owners seamless and helped to empower home owners.

Lagos state government has adopted a hybrid strategy as part of its pragmatic approach to development of housing in the state. This strategy consists not only of direct government construction for the underprivileged but also schemes targeted at the middle and upper class where agencies like the LSDPC will build and sell and the profit will be used by government to fund social housing for the vulnerable members of our society. Currently the State's Tender Board has awarded contracts for the execution of 156 projects, out of which 74 are direct housing projects and the rest being housing infrastructure related. The projects

include 41 housing projects at Alimosho, 61 blocks of houses in Ikeja, 2 blocks in Agbowa, 3 blocks in Surulere and 12 blocks in Ogba to be delivered in 12 months. These will together yield 1032 flats comprising 1, 2 and 3 bedrooms across the state that we will be delivering on mortgage finance basis.

The hybrid approach seeks to encourage different types of building operations such as the involvement of direct labour, contractor-financed project implementation; and private sector participation schemes (this includes the Ewu – Elepe scheme, Gbagada II scheme and Ikeja II scheme).

2.4.4 Home Ownership and Finance

In a new initiative in 2012, the Lagos State Government (LASG) has introduced the Lagos Home Ownership and Mortgage Scheme (Lagos HOMS). This will enable applicants to become owners of their homes after they have paid 30 per cent of the price of the housing unit with the balance payable over a period of 10 – 20 years. The HOMS project is a home ownership scheme open to first-time home buyers who are resident in Lagos State. In another initiative the State has earmarked N43 billion in the state's 2012 budget to tackle the problem of housing through a rent-to-own option. A rent-to-own option is a system whereby a tenant pays a certain amount each month to live in a house, with a view to owning the house over a set period. Each monthly payment is income to the seller towards covering the cost of the house, after an initial down payment to eventually buy the house.

Another player in the Housing Market is the Lagos Building Investment Company Limited (LBIC), a Mortgage Institution owned by the Lagos State Government and other Private Investors with an Asset base of over N1bn. It was established in 1980 to cater to the housing needs of the people of Lagos State and licenced by Federal Mortgage Bank of Nigeria (FMBN) in July 1991 as Primary Mortgage Institution. Since inception LBIC has been facilitating Home Ownership through the Low/Medium Housing Programme professional of Lagos State Government. LBIC is being managed by seasoned professionals that ensure safety of funds. Cooperative Housing Schemes are also becoming important for the members among the working class in the State. A new initiative seeks to promote Co-operative Housing schemes through the Co-operative Home Ownership Incentive Scheme (CHOIS).

Finally, it is important to mention the Land issue in the context of this sector. The management of Land through efficient titling, revenue collection, acquiring land and making appropriate state land available for development are crucial underpinnings of this sector. Recent improvements to systems and to the transparency of operations have assisted in making land, certificates of occupancy and freehold title more accurate and readily available. The income

generated by the Lands Bureau through its various land leases, taxes and issuing of certificates makes a significant contribution to the State’s Internally Generated Revenue (IGR).

2.4.5 Prospects for Housing and Construction

This is likely to be a major growth sector in the coming period. There exists a large pent up need and demand for new housing of all kinds and as resources for new infrastructures are levered into play the construction of facilities will require significant efforts by the sector. Housing need is described above and whilst this is very large there are also many obstacles to meeting the need. From the perspective of the private potential buyer the key need is to make available cheaper mortgages. This in turn requires a national effort to reduce inflation and bring down bank lending rates. The State has introduced several important initiatives to encourage greater home ownership and this will, in turn, encourage greater activity in the housing market. There is no one clear solution to the housing issue, as the State has recognised.

Current spending on Housing and Community Amenities, which also includes Physical Planning and the production of Master Plans, is N43.812 billion. This covers the capital costs of current house building at five sites in Lagos. In the SMF exercise in 2008 it was calculated that 97% of expenditure in the Land and Housing area would need to come from the Private sector. At that time this was estimated to be N900 billion by 2020. In today’s values and extended to 2025 this total is likely to be well several trillion Naira.

2.4.6 Summary of Housing and Construction Issues

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ing industry.

2.5 Communications

The Communications sector is the fifth biggest sector in Lagos in terms of GDP value. In the modern world efficient management of information and good communication networks are vital for sustainable development. Lagos State maintains a leadership role as the regional node of communication and information flow, with the highest concentration of ICT service providers in the country. The Ministry of Science and Technology has been engaged in the automation and re-engineering of the State Government business process and harmonization of all ICT assets into a world infrastructure. It has also evolved programmes aimed at using Technology to create sustainable employment and alleviate poverty through ICT skill acquisition programmes to members of the public. In addition, the Ministry has also embarked on major projects/programmes including the *Implementation of ICT in Schools* through the establishment of ICT laboratories in schools conceived to provide a broader base of access to IT infrastructure among the student so as to achieve a levelling up in learning opportunities. In addition the Lagos State Government has established a *Software Engineering Training Institute* to serve as a medium for the productions of reliable software systems and also to equip youth with the functional knowledge and skill needed to transform them into entrepreneurs. A temporary operation of the institute will commence at the Lagos Digital Village Ikeja. The Infrastructure issues of ICT are covered under the Infrastructure Development Pillar.

The film industry in Nigeria has made significant strides in the last decade, with Lagos State hosting most of the activities. Given the urban peculiarities, industrial mix and aquatic natural resources, the State has great potentials for the film industry with its attendant high revenue and employment generation capacities. However, low level of technology input, uncertain intellectual and proprietary rights, and unbridled piracy are some of the challenges facing the industry. The State Government is committed to addressing all these issues through policy options and business supports

2.6 The Service Sector

The Service Sector covers a considerable range of economic activities. It includes wholesale, retail, finance, insurance, hotels and restaurants and other activities that can also be seen to constitute the tourist industry as well as public administration and public services. Taken together these

activities account for the majority of economic activities in Lagos as is common in most cities of the world today. In terms of GDP value the wholesale and retail sectors comprise the main activity followed by Finance and Real Estate. The Hospitality sector, such as hotels and restaurants also plays a significant role and overlaps with the wider and potentially important Tourist Industry,

2.6.1 Wholesale and Retail

Wholesale and retail activities are the fourth biggest sector in Lagos in terms of GDP value. It embraces the large amount of formal and informal retailing activities as well as storage facilities. It is unlikely that this sector will diminish in importance and indeed as the population grows the market size increases and provides additional opportunities for the growth of this sector.

Lagos State has the most sophisticated built-up markets and distribution channels in West Africa, providing a haven for traders from all parts of the country and the sub-region.

Lagos possesses two of the three major shopping malls in Nigeria but there is a growing need for more shopping complexes, markets and distribution channels as a profitable investment window for both the private sector and government. However, there are constraints in the area of traffic management which hinder the free flow of goods and services into and within the State. Although lending to traders is highly profitable, the traders themselves have difficulty accessing bank loans.

Lagos has the two largest sea ports in Nigeria namely Apapa and the Tin Can ports. The ports have a railhead facility and Apapa is able to handle container traffic through a RoRo facility. There is a considerable amount of crude oil export and refined oil import through Lagos Port, with frequent complaints of delays. Other key bulk imports include rice, cement and used vehicles. Efforts are being made to improve the access roads to the port facilities. A third major port is being planned at the Lekki Free Trade Zone. This will provide a modern deep channel facility.

2.6.2 Finance

Lagos continues to benefit from the fact that it was the capital of Nigeria. This led to the city becoming the commercial and financial hub of the country, a status it has maintained. The large corporations and banks have their headquarters here and there is every prospect that they will continue to be located in Lagos.

Over 250 financial institutions including banks, insurance companies, investment companies, stock broking firms and other allied companies operate in the State. The State also hosts the most active stock exchange and capital market in West Africa, along with the Central Bank of Nigeria and other multilateral financial institutions. The activities of this industry impact both on the government and the private sector. The State Government has investments in some of the financial institutions and owns an investment company. As an engine of economic growth, the financial services sector occupies a strategic position in the State's quest for private sector-led growth. The organised private sector relies on banks and other financial institutions for funding and other financial services. The directive of the Central Bank of Nigeria for banks to raise their capital base to N25 billion by the end of 2005 created a stronger and more reliable financial services sector that should be in a position to adequately meet the financing needs of both the State and the Private Sector. But the cost of borrowing remains high and the conditions attached to loans are often burdensome to emerging enterprises. By the same token, the issue of micro-finance for the small entrepreneurs remains a critical issue and one that the State has sought to address, as well as other agencies.

2.6.3 Tourism and Hospitality

Lagos State with its unique geographical location (bordered in the south by the Atlantic Ocean) and its rich cultural heritage has enormous potential for tourism development. An important feature of this is the stretch of approximately 180km of sandy beaches, numerous islands created by surrounding creeks and lagoons, giving rise to some scenic spots, and thus encouraging water recreation and other related sports. Lagos as a business/cultural tourism destination can expand upon this in the future utilising its early links with Christianity and the slave trade standing side by side, especially at Badagry. The cultural heritage of Lagos is enriched by the celebration of a number of festivals, all year round and in all the divisions of the State. The Adamuorisha play (Eyo), retains its uniqueness as a celebration linked to the extended funeral rites in memory of royalty and other important personalities.

The state has designed and executed a number of tourism development schemes, in an effort to boost the tourism industry i.e. Maiyegun Tourism scheme, Maroko foreshore, Okunde Blue waters and others. Within each scheme, land is allocated to private tourism entrepreneurs for the execution of various tourism projects. Government continues to provide

the required infrastructural facilities for areas earmarked for tourism development in the State.

Lagos state alone, accounts for nearly 65% of tourism services in the Country. Registration of all hospitality and tourism establishments was hitherto done in conjunction with Nigerian Tourism Development Corporation; however, with the establishment of the Hotel licensing Authority, there has been a shift. The registration of all the tourism and hospitality establishments has commenced. The classification and grading of all tourism and hospitality establishments in conformity with international standards will commence soon. The absence of relevant database in the industry in the State is being addressed through the commencement of the registration exercise and the proposed cooperation with immigration officials for the compilation of tourist traffic, at all entry points to the State.

Information dissemination on places of interest and other tourist attractions is paramount to tourism promotion. Hence the state established the Lagos State Tourism Information Centre at the Murtala Mohammed International Airport, which received the cooperation of the Federal Airports Authority, demonstrated through a waiver of the concession fees. Plans are also underway to establish and locate a Lagos Tourism Promotion office outside the secretariat, to focus on promoting Lagos State as a tourist destination.

In an attempt to foster its cultural heritage and identity, the State introduced in 2001 a Black Heritage Festival with the theme “Discover your roots” and within the context of the UNESCO Slave Route Project. This festival has since metamorphosed into the Heritage week which commenced in 2010 and is held during the week preceding the Easter celebrations. The week has been designated as the holiday season in the State, with highlights like the Lagos Carnival, Lagos Water Regatta and the Black Heritage Festival, all running within the week.

Training of manpower for the industry, particularly for the Public Sector is an issue of importance. Collaboration in this regard has been entered into both locally and internationally. The National Institute of Tourism and Hospitality, the premier tourism trainers in the Country, is a collaborator in this regard. Tourism product developments which will serve as major destinations have commenced. The Badagry slave route

project is about 30% to 55% completed. Other tourist products in the pipeline include the re-development of Apapa Amusement park, collaboration with Nigeria Conservation Foundation, Fela Museum, and Lagos Wildlife and Resort. Lagos state enjoys the cooperation of major international organizations like UNIDO in the development of its Eco-tourism and UNESCO for its slave Route projects..

2.6.5 Prospects for Service Industries

The position of the Service sector within the Lagos economy is likely to stay strong. Finance continues to be a powerful sub-sector but will need to make a step change up if Lagos is to assume a model Mega City status. Ideally Lagos should seek to position itself as one of the primary financial centres of Africa, alongside Johannesburg. The Wholesale and Retail sub-sector also has excellent prospect. Lagos currently only has three large shopping malls and given its size of market and the strength of the middle class should be able to expand that number substantially. The Tourist Industry has significant growth potential as has the emerging Film Industry.

State inputs into these sectors are essentially in the areas of governance and facilitation. The state seeks to set the overall regulatory framework for the service sector and aims to make this framework as simple and effective as possible so as to encourage growth and maintain public standards. Support to the service sector arises in terms of promotion, guidance, training and encouraging PPP projects, especially in Tourism.

- *Poor road networks and transport facilities hamper efficiency in the sector*
- *Congestion at Ports causes delays and weakens investment prospects*
- *Major opportunities to increase new retailing outlets as markets grow*
- *Ensuring Lagos retains its pre-eminent position as the commercial and financial hub of the Region but regular reviews of potential problems and prospects are important*
- *Exploring ways in which the finance sector can increase its contribution to development in the State through improved lending facilities and other mechanisms*
- *Need for a Tourist Strategic Plan*
- *Building on natural advantage created by long Atlantic frontage and extensive lagoons*
- *Enhancing cultural/historic attractions in Lagos could drive more tourism*

2.7 Agriculture

Lagos has the smallest land area of any State in Nigeria totaling 0.7 million hectares (ha). The cultivable area in the State is 0.141 million ha, of which 0.030 million ha is currently cultivated. Total swamp area is about 40% of all land. Whilst Agriculture including fishing account for only about 1% of the Lagos GDP, they require close attention because of their importance to many people living in the rural zone of the State and in the way that this sector contributes to meeting food security in the State. The main contributor to Agricultural GDP is the livestock sector but the important area for the general populace lies in arable crop production, especially maize, rice, cassava, yams and fruit and vegetables. In terms of fishing, Lagos State is recognised by the Federal Government as a fishing state and so receives some subsidisation for this industry. There is great potential in Lagos State and the surrounding areas to develop significant agri-business ventures. This has been recognised by the State and efforts are being made to develop their own initiatives as well as attract private finance and encourage PPP arrangements.

The State has more than 12,000 registered Cooperative Societies with over 2 million members and an asset base of over N40 billion as at December, 2011, which gave it the largest concentration of co-op societies in the country. Many of these are in agriculture and fishing.

Successive State Governments have placed a strong emphasis on developing the agricultural and fishing sector and a number of initiatives have been undertaken, some with the support of international agencies. Among the most recent initiatives has been the creation of a new rice mill, the establishment of several new agricultural estates, negotiations with neighbouring states for land to develop new agricultural projects, training schemes to establish model farm youth empowerment schemes and the encouragement of cooperatives.

2.7.1 Farming

More than 70% of those who reside in the rural parts of the State are farmers. About half of them practise subsistence agriculture, with rain-fed production being dominant. There are over 1200 large and medium sized commercial farmers. Mixed farming of crops, livestock and fisheries are common but yield levels are rarely up to 50% of their potential, while value-added is rarely up to 10%. More than 40% of food crops produced in Lagos State is lost due to their perishable nature. Hence, there is a need

to promote post-harvest processing technologies to make them available all year round and reduce gluts at harvest time. Field losses due to pests and diseases over time have contributed to low yields and losses of between 30% and 70%. Farmers lack adequate access to integrated pest and disease-management techniques.

Consumption of animal-sourced protein in the State is estimated at less than 40% of the 34 grams per person per day recommended by the Food and Agriculture Organisation. Livestock production is dominated by poultries and piggeries while cattle from outside the State dominate consumption. The State has a modern meat processing and livestock feed production facility at an abattoir at the Lairage Complex, Agege with a slaughtering capacity of 2,000 cattle and 2,500 sheep/goats per day. There is also an open market at Imota in Ikorodu and Agaga in Epe.

Farmers' coverage by extension services is about 30% and the extension agents-farmers ratio is also about 1:2000, which is one of the best in the country. Labour saving technologies adoption is below 50% due to cost. Mechanisation is also very low. Storage and processing are being promoted in all spheres of agriculture by extension, but the cost of carrying it out is relatively high. Processing equipment is being given to farmers on cost-recovery basis over three to five years. Extension services through the public and private sector and agricultural programmes in schools are being promoted, in addition to contract farming.

2.7.2 Fishing

Lagos has the fastest growing fish farming sector in Nigeria, utilising earthen, concrete based as well as Cage and Pens culture on open water bodies. The State pioneered the establishment of the Fish Farm Estates in the country. Though the State has a lot of potential in meeting its demand for fish, Lagos continues to import more than 50% of its fish needs. But capture fishing in Lagos remains relatively undeveloped, both in terms of artisanal coastal and lagoon fishing.

Two major fish farms are established at Ikorodu and Ketu-Ereyun in Epe with one projected to have over 2,000 ponds, making it one of the largest in Africa. Support with equipment to artisanal fishermen has also been undertaken. The demand for fish as a source of protein is estimated at about 1.5 million tonnes and is increasing at about 4% annually. Good fishing practices on the open water are being propagated while fish

farming is being promoted at the farm and homestead levels. Fish brooder stock production, as a back-up of fingerlings and seed production, is also being carried out in collaboration with the private sector. The two fish farm estates established were concrete tank estates while the establishment of estates using cages and pens on open water bodies are now being promoted.

2.7.3 Forestry and Tree Crops

Forest degradation is high and is adversely affecting the ecosystem. It has also had a negative impact on agricultural production through the degraded soils, water distribution and unstable rainfall pattern. The major forest reserves and conservation centres are located at the Nigeria Conservation Fund project at Eti-Osa, the Lamgbasa Centre (Eti-Osa), Majidun and Erikorodo at Ikorodu and Ologe and Yewa in Badagry

The most important economic tree crop in the State is the coconut that is available in old groves along the 180Km of the coastline. The State has commenced a conscious effort at rehabilitating the old groves and diversify its product uses so as to create investment opportunities while promoting tourism along the coastline.

2.7.4 Agri-Business and Agricultural Initiatives

Agri-business is already well established in Lagos as the table below illustrates.

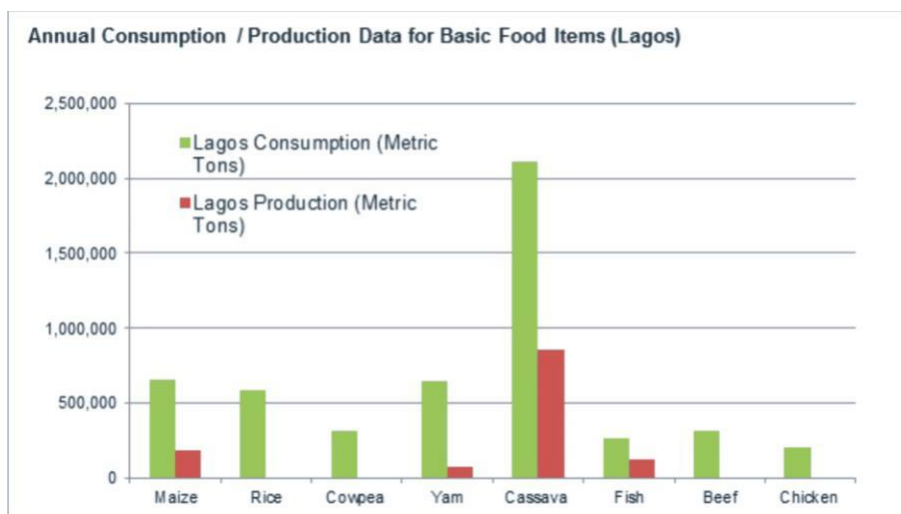
Table 4: Current Agri-Business Operations in Lagos

Sector	Company	Raw Materials
Breweries	Nigerian Breweries Guinness	Sorghum Barley Yeast Hops
Wheat Milling	Flour Mills of Nigeria Dangote Honeywell	Wheat
Sugar Refineries	Dangote BUA	Sugar cane
Food and Snacks	Nestle Cadbury UTC Leventis Chi	Cocoa Beef Wheat flour Vegetable oil
Fruit Juices	NBC Chi Dansa	Fruit Juice Concentrate

Source: Federal Ministry of Agriculture: Ehingbeti presentation, 2012

However, there is considerable scope for a major expansion of this sector given the vast market for processed food and drink in the State and the fact that many of the existing agro-allied industries operate below 50% of installed capacity due to a dearth of raw materials and spares. The diagram below illustrates the first point.

Fig. 5: Consumption and Production of Main Food Items in Lagos, 2012



Source: Lagos State Ministry of Agriculture and Cooperatives: Ehingbeti presentation 2012

Rice production provides an example of a state-led initiative that illustrates the potential for agri-business in Lagos. Lagos state has the highest consumption of rice in the country at 35kg per person per year, whereas the average national consumption per person stands at 30kg. From a very low base in 2007, when there was less than 10 ha of land under rice cultivation, only 50 people employed in rice farming, no irrigation facilities, poor equipment and no rice processing centre, the State has succeeded in transforming the situation. Today, Lagos state has 250 ha of land devoted to Rice cultivation, while average yield has improved to two tons (upland 1.5 & lowland 3.5). There are now over 2,500 people employed in rice farming and two processing centres operate. The state can now boast of an Integrated Rice Processing Mill, the only one in South West Nigeria, with an installed capacity of 2.5tons

per hour. The farmers now have the use of seed drills, mini-combine harvesters, trans-planters, power tillers and tractors. The aim is to increase the yield of rice to 4-6 tons per cropping season and raise employment generation from rice cultivation to 100,000 people directly, to increase the number of fully equipped cottage milling centres and to have an additional Integrated rice milling complex. This is to be achieved by the state acquiring 10,000ha of Land outside the state with Lagos state youths working on the land under an appropriate irrigation system with a PPP arrangement.

Many other opportunities exist for adding value to such production areas as vegetable and fruit production, Cassava processing, Coconut production and processing, livestock and poultry products and strategic storage and preservation.

Processing is a major course of study at the Agricultural Training Institute, Araga-Epe. Credit market and input linkages are also being promoted in the State. Poultry production is being promoted through quality feed production monitoring, input back-up, PPP and provision of infrastructure. A livestock health support programme and modern abattoirs are being operated by the State.

Developmental approach of the Government is now governed by the State Accelerated Agricultural Growth (SAAG) which has the 6 'Ins' (Incentives, Inputs, Innovation, Information, Infrastructure and Institution) that governs the supply side of food security and safety as the thrust.

Issues of finance are critical to all new initiatives, especially for the small producer, who relies on credit facilities. Micro-credit remains a high priority for improving agricultural output at the lower end, where the majority of farmers are located.

2.7.5 Prospects for the Agriculture Sector

The Agriculture Sector has the capacity to greatly increase its contribution to State GDP and to meet several social objectives. In terms of the Lagos economy, Agriculture only directly contributes a small proportion to overall GDP but indirectly it helps to underpin the food industry and could make a significant contribution to manufacturing through a growth in agri-businesses. In social terms the improvement in agricultural practice from one based on self-sufficiency for the farmer to

one that is geared to producing for a market will not only assist an improved and cheaper diet for the vast urban market but also raise rural livelihoods. The prospect of greater food security is also an important aim.

Recent state initiatives in commercial agricultural covering rice production, fish farming, poultry estates and other linked initiatives shows the way for a greater private sector role in commercial farming. Opportunities exist in all the main aspects of this sector for PPP projects to exploit opportunities in:

- *Crop Production:* coconut, kola nuts, cashew nuts, soya beans, mangoes, citrus fruits, pineapples, rice, oil palm, plantain, maize, cassava and vegetables.
- *Fishery:* deep sea fishing, fish farms and marine aqua-culture, cold rooms/refrigerated vans, outboard engines/boats, fish canning and processing, marine weeds utilisation.
- *Livestock:* animal husbandry, animal feeds production, poultry farming, pig, rabbit and snail production, dairy farming, livestock feeds production.
- *Forestry:* lumbering, afforestation, furniture making, wildlife conservation.

2.7.6 Summary of Agriculture Sector Issues

- *Low Private sector participation to accelerate technology delivery*
- *The sector is made up of poor and illiterate farmers which makes technology transfer difficult*
- *Limited funding for investment in all aspects of the production chain*
- *Limited land for agriculture and large scale farming.*
- *Lack of statistical data and information system for effective planning and investment*
- *Lack of a framework for sustainable agriculture*
- *Low Productivity of land and labour*
- *Insufficient Manufacturing raw material supply by an ineffective Agriculture sector*
- *Delivery of produce to urban areas is hindered by poor transportation*
- *Poor links between R&D institutions and end-user industries*
- *Poor facilities, utilities and services [power, water, roads etc] to rural communities*
- *Insufficient use of available expertise in Agriculture technology and research*

- *Lack of appropriate storage and processing of Agricultural produce can lead to health issues*
- *Land use Act needs to be made attractive for investors in the Agriculture Sector*
- *Agriculture is central to rural development, with strong linkages to health, education, the private sector, water and the environment*
- *Poor employment generation through low value chain (inputs through production to the) investments.*

2.8 Oil and Gas and other Minerals

It is not possible to deal adequately with every aspect of economic activity in Lagos. But mention should be made of the Mineral sector, which is relatively weak in Lagos State but has the potential in oil and gas deposits and an expanded silica sand and clay extraction to enhance economic wealth in the State.

Exploration of oil and gas fields situated in the Benin/Dahomey Gulf has been underway for some time. It is thought that there are sufficient reserves for significant extraction. Lagos borders these offshore fields and can benefit from upstream and downstream activities, as well as a share of Federal oil income. Currently the Ministry of Energy and Mineral Resources is liaising with the PPP Office and private investors with a view to facilitate the establishment of modular refinery in Lagos State. Possible locations are at Badagry and Ikorodu Axis. The Federal Government is progressing plans to site a Greenfield Refinery at the Lekki Free Trade Zone. The establishment of Methanol and Petrochemical plants at the Lagos Free Trade Zone are also under consideration. Finally there are plans to establish Oil and Gas Logistic and Fabrication Bases at Niger dock and LADOL facilities

Silica sand and Clay can provide more basic material for construction and other source material-related industries such as glass and ceramics.

2.9 MSMEs and the Informal Sectors

This is a cross cutting sector that has a presence in all the main economic sectors. Information about this area of important economic activity is scarce but its significance in terms of its size and potential for job and

wealth creation is widely acknowledged.

2.9.1 The MSME Sector

Estimates vary about the size of this sector in Lagos. All are agreed that there are a very substantial number of MSMEs and that the overwhelming majority are micro businesses. One estimate suggests there are 800,000 MSMEs in Lagos State, another states that 20% of all Nigerian MSMEs are located in Lagos. This would suggest a much larger number given that there are purported to be 17 million MSMEs in Nigeria. This would give Lagos a figure of 3.4 million MSMEs in Lagos. Further research is required.

Whatever the real size of this sector, it consists of a wide range of enterprises, covering those in the formal private sector as well as small family enterprises and cottage industries. The State supports MSMEs in several ways, including the provision of technology and business incubation centres and the operation of 22 industrial estates. Nevertheless, infrastructural facilities are grossly inadequate. Only a small fraction of manufacturers in the State are accommodated on the industrial estates, with the result that many businesses still operate from residential accommodations. It also supports groups like Nigeria Association of Small Scale Industrialists (NASSI) and the Nigerian Association of Small and Medium Scale Enterprises (NASME). The Government is also involved in the promotion of trade fairs to showcase the products of MSMEs. The State has established a micro-credit scheme to assist MSMEs in accessing soft loans. However, many MSMEs in the informal sector are still unregistered, making it difficult to plan.

2.9.2 The Informal Sector

There is no doubt that in terms of employment the informal sector is by far the largest. The official statistics suggest that 57% of adults are engaged in self-employment. Of these, most will be engaged in various types of informal economic activity. In addition, there will be some who have formal employment but also engage in informal activities outside their formal workplace. Not only does this sector provide the means of livelihood for the majority of Lagos families, it also contributes to taxes and revenues in various forms. The bulk of the sector is probably engaged in street vending. But there are also many small repair shops and small-scale manufacturing activities, such as furniture makers, metal fabricators and brick moulders. In a recent initiative, the State

government embarked on the organization and registration of tradesmen and artisans into trade associations. By 2010 369 Trade Associations with over 250,000 members have been registered in the State and have collaborated with the State Internal Revenue Services in the collection of taxes among their members. The Ministry of Commerce and Industry is currently engaged in a new study of the Informal Sector in Lagos that will shed light on the way the sector operates, its component parts and the best way to facilitate improved operations.

2.9.3 Summary of Issues for the Informal and MSME Sector

- *Detailed information about the Informal and SME sector, its composition, its potential growth and its pressing needs requires a special study.*
- *Selecting potential growth enterprises, providing appropriate support and training can yield benefits in job creation*
- *Incubation centres can help promote new enterprises*
- *Improving access for business advice to this sector would assist growth and development*
- *Micro-finance availability and back-up requires strengthening*
- *Creating opportunities for transparent tendering of public sector contracts by the SME sector can help develop enterprises and promote local jobs*
- *Promoting the idea that procurement of goods and services by the public and private sectors should have a strong presumption in favour of locally sourced elements*

Chapter 3

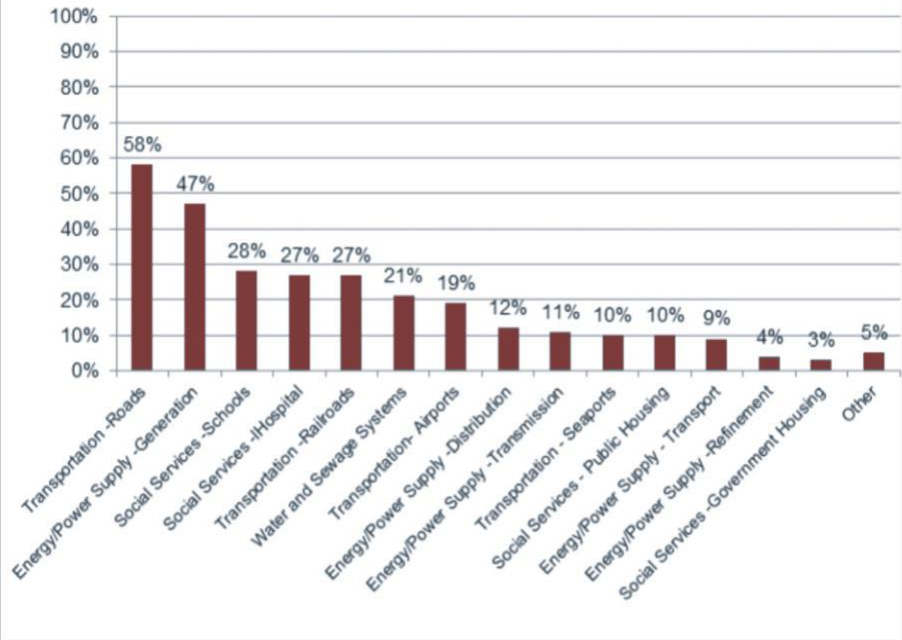
Infrastructure Development Pillar

3.1 Pillar Overview

Reliable infrastructure is vital to improving the quality of life in the State and helping build a platform for private investment. Due in large measure to rapid growth in population and the urban sprawl of Lagos City, infrastructure development in the State has faltered badly, and the quality of services now available is far from adequate – despite substantial financial resources from the State. Infrastructure deficit/inefficiency in the transportation, power and water sub-sectors has led to the high cost of doing business and is rated second after Access to Finance.

This section presents the current position regarding the infrastructure provision and the infrastructure gaps/deficiencies that need to be addressed as Lagos State Government embarks on a process of transforming Lagos City into a leading mega city in Africa. This transformation will require the State to provide additional infrastructure, improve services and open more international gateways for business by road, sea and air. The infrastructure sub-sectors requiring urgent attention are transportation, power, water and telecommunications. The specific aspects of infrastructure for business that need to be addressed are shown in Figure 6 below.

Fig. 6: Aspects of Infrastructure Needs to be Most Urgently Addressed



Source: Ehingbeti Economic Summit 2012

3.2 Power

3.2.1 Introduction

The Power sub-sector plays a strategic role in enabling and promoting economic activities across the economy (agriculture, agro-industry, industry, commerce, tourism, telecommunications, etc.) and in the delivery of key social services (water, health, education, communication, etc.). The provision of stable power is critical for private sector development and has been a priority policy area for the State since 1999, as demonstrated by the State Government’s facilitation of Independent Power Projects (IPPs). The focus of this sub-section is on electricity.

3.2.2 Demand and Supply

The electricity sector faces a chronic shortage and erratic supply. The power supply is from the federal national grid even though some of the State power stations generate power and feed into the same grid. Power generated by the State’s Power Corporation is fed into the national grid and the State is then given its share, which is always less than what has been contributed. There is no reliable data to describe the power

situation in the State but estimates indicate that the current demand for power in Lagos State stands at between 5,000 and 8,000MW. The supply fluctuates between 900MW and 1,200MW - leaving an enormous power supply gap. This pattern reflects what is happening in the whole of Nigeria where there is 3,400MW to 4,200MW available against a demand of 25,000MW.

Lagos State is currently the largest consumer of power in Nigeria. Most power is consumed by industry and commerce. The Ikeja Industrial Area accounts for 35% of total power consumption while Lagos Island has the highest population of commercial end-users of power. Most of these businesses and individuals, faced with power shortages, have opted for generators as alternative sources of power. This places pressure on scarce resources and is expensive because it has raised the cost of electricity to the range of 45 Naira to 90 Naira per kWh. Electricity constitutes on the average between 20 to 40% of the cost of production in a typical manufacturing company. This suggests that it costs a Nigerian company more than double what a company in emerging or developed nations pay for the same unit of electricity, judging by current international figures.

Transmission and distribution technology is increasingly obsolete in a number of areas. This causes endless disruptions to power supply. Some generating stations are currently idle because of lack of turnround maintenance, shortage of gas and limited transmission capacity. Criminal activity exacerbates problems. Vandalism has been reported in the form of damages or theft of transmission and distribution cables, not only in Lagos State but in other States. The centralised grid means sabotage at a transmission tower disrupts the entire network.

The transmission and distribution losses are estimated at 40%, higher than the rest of the continent estimated at 11%. Transmission and distribution infrastructure needs rehabilitation to restore system stability and security. There is also some room to reduce demand. At present the Lagos State Electricity Board (LSEB) is performing Energy Audit, which will help in developing more Independent Power projects to help match demand with supply. LSEB has also introduced Energy Calculator to help consumers manage their power consumption.

3.2.3 Institutional Arrangements

The LSEB is the implementing agency for the Ministry of Energy and

Mineral Resources Development (MEMRD) responsible for the implementation of power projects and maintaining public lighting for Lagos state. LSEB responsibilities are to maximise power supply through IPPs and improve public lighting for the citizens of Lagos State. Its specific functions are to:

- establish Independent Power Projects across the state using a standardised and sustainable framework for power;
- use best practice for the design, execution, maintaining and improving public lighting projects in Lagos State; and,
- integrate IPPs with public lighting schemes using innovative approaches.

The federal Power Holding Company of Nigeria (PHCN) is not able to satisfy State demand with what it receives from the national grid. The power shortages have resulted in load shedding and power cuts that seriously curtail commercial and industrial activities. A major constraint in the electricity sector is power generation. Insufficient generation is due to lack of adequate generation of electricity from PHCN facilities (occasioned by shortage of gas supply) as well as limited capacity of the grid. Other problems have included over loaded transformers resulting in very low voltage, vandalism of power towers and cash collection problems. PHCN has not been able to build and maintain an adequate transmission and distribution infrastructure and because of this inadequacy it is not able to arrest significant losses between generation, transmission and distribution, which at the present moment could be as high as 40%. The MEMRD is facilitating the development of more IPPs in conjunction with LSEB as well as collaborating with NERC to make power more readily available to the State citizens.

3.2.4 Prospects

The demand for power is projected to increase in the next few years. This will be from already planned and approved projects and those in the pipeline. There is already commitment to proceed with Pinnacle City, Eko Atlantic City and Iba New Town Development Scheme. Pinnacle City will cover 610 hectares of development (440 villas, golf course, luxury hotel and an adventure park) and will require 60MW of power. Eko Atlantic City that is an eco-friendly waterfront oasis mixed use real estate and will have a minimum of 250,000 people living in the Estate and 150,000 people commuting daily has an estimated power need in excess of 100MW. Iba New Town Development Scheme spanning 567.56 hectares and consisting of residential, commercial, tourism and leisure

centres, has an estimated power requirement of 75MW. A new Lagos State University Teaching Hospital has a new medical facility that requires 5 to 7.5MW.

According to the Lagos State Government, the Lazard, Price Waterhouse Cooper analysis assuming an estimated capital cost of US\$1000 to install 1KW of power per capital (based on Gas Combined Cycle power plants), Lagos will need N12,209 billion (exchange rate based on 2012 average of US\$1 = 147 Naira) to achieve 15,000MW target of power by 2025. This will work out at N900billion per annum, assuming the cost is split evenly over each year from 2013 to 2025. During the plan period, two areas will require immediate attention: immediate increase in power generation and institutional reforms to create a climate that is conducive to private sector investment in power and donor involvement.

3.2.5 Summary of Issues

- *Power generation and distribution controlled from Federal Government*
- *Supply inadequate and unreliable*
- *Weak power stations generating capacity*
- *Poor maintenance of transmission and distribution lines in the national grid*
- *Coverage less than desirable*
- *Operating costs and tariffs high*
- *Low cost recovery*
- *Resource mobilization challenges*
- *Duplication and overlap in roles*
- *Capacity challenges in the State Power Regulatory Authority*
- *Weak regulatory framework*
- *Framework for PPP development still evolving*
- *Vandalism of powerlines, sub-stations and equipment*

3.3 Transportation

3.3.1 Introduction

The role of transport is vital to the realization of the State’s mega city status and the efficiency with which people, goods and services can move from one point to the other largely determines the quality of life of the society.

3.3.2 Levels of Facilities and Characteristics

The State has a total road network of 9900km comprising of 509.97km of

Federal roads, 5,816.71 km of State roads and the total length of roads in the Local Government areas is 3,573.71km. In addition, the State has about 30km of rail network.

The modes of transport consist of Buses (Molues), Mini-Buses(Danfoss), Bus Rapid Transit (BRT), Taxis, Motor-Cycles and Tri-Cycles (Okadas), Ferries and Trains. The total traffic per day is put at 7million passenger trips.

Presently, the transport network in the State has the following features and challenges:

- Transportation is predominantly road-based and carries up to 93% of total passengers and goods traffic. The available road infrastructure is greatly over stretched;
- The roads, apart from the main highways, are mostly private sector owned, suggesting the existence of a substantial potential for private sector participation;
- Despite the abundance of large water bodies, water transportation is still under-utilized; and,
- The rail infrastructure is presently near dormancy hence the need to harness that mode of transport

The transport system is inadequate for the growing urban population in the State leading to shortages and adding more pressure on the available transport mode and existing transport infrastructure.

3.3.3 Institutional Structure and Operations

In addition to the State Ministry of Transport there are presently six (6) agencies in the Sector with different degrees of autonomy namely: Lagos State Traffic Management Authority (LASTMA); Lagos State Waterways Authority (LASWA); Lagos Metropolitan Area Transport Authority (LAMATA); Lagos State Drivers Institute (LASDRI); Motor Vehicle Administration Agency (MVAA); and, Lagos Bus Asset Management Limited (LAGBUS).

While at individual level the agencies function well, the State needs to harmonise the role of these various agencies to eliminate potential conflicts and avoid duplication of efforts. The agencies' operations also suffer from absence of a well-articulated and adopted policy and strategic framework for the transport sector. The absence of an overarching transport policy has led to fragmentation and duplication of institutional

responsibilities among various agencies, and lack of inter-agency coordination among these various bodies. The policy gap also means absence of documented standard procedures for the design, technical and economic evaluation of programmes and projects.

The other operational challenges that have been identified in the provision of efficient transport services include but are not limited to the following:

- *Inadequate Public Transport:* All modes of transport have challenges. The bus public transport operation suffers from high levels of fragmentation, inadequate regulation and indiscipline. The Rail Transport has few existing rail corridors and the corridors are grossly under-utilized. In the Water Transport there is no coherence amongst water transport regulatory agencies (LASWA, NIMASA & NIWA). In the non-motorized transport infrastructure facilities are extremely limited throughout the State. Finally in the para transit mode of transportation (okadas) regulations are not effectively enforced.
- *Low Cost Recovery:* Cost recovery in the transport sector is particularly low. This is due to low user charges, inefficient collection systems and poor management and technical capacities.
- *Low road network density and efficiency:* The road network density, put at 0.6 kilometres per 1000 population, is low. Alternatively, Lagos State has 148 cars per 1000 people, with a high car density of 620 per square kilometre. The network's efficiency is similarly low, with a limited number of primary corridors carrying the bulk of the traffic. Inadequately designed interchanges, where they exist at all, provide only partial access to the primary network. Many tertiary roads play the roles of secondary ones. So far few junctions have been signalized.
- *Road Safety, Environmental and Social Concerns:* Poor driver behaviour, public transport operators' indiscipline, unsafe vehicle conditions, uneven road conditions, poor street lighting, lack of pedestrian facilities and poor traffic enforcement all combine to produce an accident rate that is probably among the highest in the world. The environmental concerns include vehicle emissions, improper waste oil disposal and high traffic noise level. Expensive transport fares, high accident rates, unreliability of the transport system and displacements constitute the major social issues.

3.3.4 Programmes

The State has responded admirably to the above challenges by, among other things, embarking on a number of demand studies of the public

transport system, expanding public transport services, engaging in regular road network maintenance and rehabilitation, inviting Private Sector Participation in the supply of transport infrastructure and implementing public enlightenment programmes on traffic regulations. Projects and programmes that have arisen from these activities have included:

- *Traffic Improvement Scheme:* The Traffic Improvement Scheme is to reduce travel time on the road thereby enhancing movement for favourable economic sustainability. The project includes lane marking, construction of Median Barriers and improvement of traffic gridlocks. A total of N555million has been spent on the project as at December 2011 with convincing evidence of positive impact.
- *Provision of Traffic Infrastructure:* The road infrastructure project is aimed at ensuring sanity and safety on the roads. The project includes Bus lay-bys and Traffic Signal lights. A total of N1, 107 million has been spent on the project. There is abundant and convincing evidence of substantial impact from this project
- *Public Road Safety Programme:* The project involves Road Markings and Signage as well as installation of Crash Prevention Guidance (CPG) and Intelligent Transport System solutions. A total of N609 million has been spent so far on the project as at December 2011 with evidence of positive impact.
- *Channelization of Road:* This project involves the channelization of Mobil Junction to the Omole Gouge to afford proper drainage on this part of the road. A total of N1.5 billion was spent on the project with evidence of positive impact.
- *Clearing of Waterways/Dredging:* The project is to enhance water transportation and involves dredging and clearing of navigable routes. A total of N89million has been spent on the project since inception.
- *Construction and Rehabilitation of Jetties:* The project involves construction of jetties at Oke-Afa, LASU, and Ijegun. It also consists of rehabilitation of the long abandoned jetties in various locations as part of water transport infrastructure. A total of N1.469 billion has been spent in order to provide a viable alternative to road transportation.
- *Rail Transportation:* The Project involves the implementation of two rail lines namely; Red line to run Agbado to Marina and Blue

line from Okokomaiko to Marina. A total of N3.4billion has been released for the design stage.

- **LASTMA Project:** The LASTMA project is to fully equip the organisation with the necessary tools for the effective discharge of its mandate. The project includes communication gadgets, patrol vehicles, traffic control equipment, office accommodation, etc. A total of N895 million has been spent on the various projects. Motor bicycles and Tow trucks were also purchased for the purpose of rescue and efficient traffic incident management.

3.3.5 Prospects

Lagos State has always wanted to achieve a transportation system that provides a safe, dynamic, integrated, affordable, diverse and sustainable means of transport which supports optimal use of resources, social inclusion and quality of life. In order to achieve this vision by 2025, it is estimated that LASG will need to increase its spending on the Transportation Sector from N20 Billion in 2008 to N 880 Billion by 2025. LASG currently spends 5% of its budget – about 0.7% of GDP – on transport. In addition, private spending on transportation needs to increase so that it can account for 50% of the total transportation sector spending required to match spending on transport in other cities of the same size. LASG also needs to prioritize investments on infrastructure development and implement significant public-private partnerships (PPPs) in the transport Sector to ensure sufficient private spending for transportation. To this end, some work has already begun with investments in BRT and Ferries.

3.3.6 Summary of Issues

- *Fragmentation and duplication of institutional responsibilities among various agencies at the two levels of government*
- *Inadequate facilities and vessels for transportation*
- *Congestion*
- *Bad driving habits and lack of safety*
- *Travel costs high*
- *Challenges in resource mobilisation*
- *Challenges in infrastructure cost recovery*
- *Sub-sector predominantly road based, other modes still to catch up*
- *Low user charges*
- *Inefficient collection systems*

- *Poor management and technical capacities*
- *Overlap and duplication of roles and responsibilities within the sector*
- *Weak capacity in physical, strategic, and maintenance planning*
- *Inadequate construction and maintenance guidelines*
- *Poor enforcement of road norms and standards to ensure safety and to deal with environmental issues*

3.4 Water

3.4.1 Introduction

Water resources play a central role in economic growth and the livelihood of all Lagosians – water is life and a human right. Investments in water address both poverty alleviation and economic development. There are other aspects of water that deal with pollution and floods. These are discussed under Environment.

3.4.2 Overview of Sector

The box below shows the overview of current sector realities

Service Provider: Lagos Water Corporation
 Lagos Water Corporation Total Asset: 40.34 billion naira.
 No of service areas under the Lagos Water Corporation – 11
 Major water works – 3 (119mgd)
 Mini water works – 48 (91mgd)
 New water works under construction – 8 (16mgd)
 Transmission mains (ND 200 – 600mm) – 180km
 Distribution Mains (ND 500 – 75) – 2,215km
 Additional 75km distribution mains ongoing in 15 mini water works
 Total connections (size 5 – 19mm) – 178,900
 12.15 M Independent Power Plant for Iju, Adiyin, and Akute
 Level of service before IPPs – 21.6% Level of Service after IPP – 57.2%
 Network coverage – 44%
 Unaccounted for water – 60%

3.4.3 Demand and Supply

The water demand exceeds water supply. As at December 2010, the State water demand was at 540 million gallons per day while the water supply stood at 210 million gallons per day (or 30 gallons per capita per day) leaving a deficit of 330 million gallons per day. Service coverage is only

44% of the State and many rural areas have no potable water supply. Unorganized private water vendors and private water supply accounts for the deficit demand of 330 million gallons per day.

Of the total 210 million gallons per day installed water production capacity in the State, Adiyen accounts for 41%, Iju 26%, Isashi 3%, and ground water 30%. More water could be pumped and distributed but the water infrastructure is currently operating at less than 60% of installed capacity. Erratic power supply contributes to poor capacity utilization.

The source of raw water supply is rivers and the lagoons. The abundant raw water ensures commercial sustainability of the sector. The yield from the rivers is as follows:

Table 5: Water Yields from River Sources

River	Yield(mdg)
Ogun	460.8
Owo	28
Oshun	45.6
Aye	18.4
Yewa	41.6
Oworu/Solodo	20.8

Source: Lagos Water Supply Master Plan (2012)

The yield from the Lagoons is shown in the table below. Water from the lagoons has to be desalinated to meet the State water standards.

Table 6: Water Yields from Lagoons

Lagoon	Surface Area (km.)
Lagos	500
Lekki	300
Badagry Creek	200
Ologe	64

Source: Lagos Water Supply Master Plan (2012)

The sub-sector is characterized by ageing water plants and facilities. There is need for rehabilitation of Iju, Adiyen, Akute, and Ishasi waterworks.

There is also need for replacing some of the old pipes underground and installation of water meters.

Projections show that the demand for water will increase tremendously to close to 780 million gallons of water per day by the year 2025. The Lagos Water Corporation has used a projected population growth of 5% per annum to calculate the projected demand for water giving a population of 32 million for Lagos by the Year 2025. Their demand gap estimates are as follows:

Table 7: Projected Water Deficit 2010-2025 (mgd)

Year	Population (millions)	Water Demand (mgd)	Water Production (mgd)	Demand Gap (mgd)
2010	18	540	210	330
0162	24	724	317	407
2018	26	665	577	88
2020	29	733	745	(12)
2025	32	780	800	(20)

Source: Lagos Water Supply Master Plan (2012)

3.4.4 Institutional Arrangements and Water Management

Stakeholder groups in the Water Sector are citizens, industries and businesses, personnel of the Water Sector, regulatory agencies (local, national and international), development partners, international donor agencies, civil society and labour unions. Prominent on the needs of all stakeholder groups are regular access to sector services at affordable prices, availability of safe and hygienic water supply, prompt response to customer’s complaints. Stakeholders have also advocated for their involvement in the sector’s policy formulation, project development and implementation, good governance and better living conditions, access to reliable data and information about the sector and total deregulation of the sector.

The water account is not realizing all the revenue due to it. First, the tariffs are unrealistic with the private water suppliers charging up to 500 times what the Lagos Water Corporation in charging. There is an inefficient revenue collection system. Over 80% of water users who pay for water are billed on flat rate while over 50% of users are not on the database. In addition, there are also heavy losses through the high rates of leakages and vandalism and high rates of water theft and illegal connections.

3.4.5 Prospects

An expanding city and growing population means more demands for water. It is estimated that by 2025 the water demand will be four times the current supply, that is, 780mgd will be required. This will necessitate the construction of new water works and extension of reticulation. Already there is need for an additional reticulation of 67km of mains in Lekki Phase I Concession. There is also need for rehabilitation of Iju, Adiyin, Akute, and Ishasi waterworks. Work needs to be done to create a viable system for the detection of unaccounted for water, especially leakages and theft.

Responding to this demand in terms of funding will be a mammoth task for the State. Lagos State Government currently spends 2.4% of its budget – about 0.38% of GDP – on water supply which is only able to provide 33% of the total water needs of the citizens. The balance of 67% is provided through unregulated activities of water vendors and private boreholes. It is estimated that to achieve the Water Sector needs by 2025 LASG will require increased annual spending on the Water Sector from N9.7B in 2008 to N300B in 2025 (in constant 2008 figures), a significant part of the Lagos State total budget in 2025. In addition, private sector spending on water supply needs to be in the range of 90 - 95% of total water sector spending. LASG will also need to implement significant public-private partnerships (PPPs) in the Water Sector to ensure sufficient private spending for water supply. The State will need to access funding through concessions and BOOT PPP contract arrangement across service areas. Fortunately the enactment of the 2004 Water Law has created an enabling environment for PPPs. On the ground the Lagos State Water Regulatory Commission is assisting in promoting the PPPs.

In general, the State Government will want to:

- Inject large-scale investment capital into sector and to gain access to private capital markets.
- Make sector more responsive to consumers' needs and preferences
- Improve economic efficiency in operations and use of capital
- Reduce public subsidies to the sector
- Improve technical and managerial expertise and new technology to the sector.

3.4.6 Summary of Issues

- Demand exceeds supply
- Supply service unreliable
- Supply service not cost effective
- Heavy system losses
- Mini water works – 42 (75.9mgd)
- Level of service before IPP– 21.6%
- Level of service– 57.2%
- Network coverage – 44%
- Rampant water theft and illegal connections
- Transmission: Developing efficient networks, storage reservoirs and operational and financial systems. Replace ageing water plants and facilities
- Lack of data for water management - 50% of customer database is available
- Increase access and reliability
- High operating costs
- Challenges in resource mobilization
- Inefficient cost recovery mechanisms
- Inefficient revenue collection system (80% of water users on flat billing system)
- Overlaps in the role of the State and local government authorities
- Ineffective regulatory framework and regime – there is lack of specialised technical/policy institution on water management

3.5 Telecommunications

3.5.1 Introduction

Lagos State aims to have reliable and accessible telecommunication services.

3.5.2 Current Status

There are no accurate figures to describe the current telephone-density in the State but it is reported to have grown very rapidly from the low 80 telephone users per 1,000 population in the later 1990s. The Internet users were then at 68 per 1,000 population. The industry is characterised by poor service quality, lack of a central call centre to attend to issues regarding service delivery, no-number portability service and limited number of services being offered e.g. recent introduction of 3G services is not yet available to all customers.

Other sectors suffer from lack of services from the sub-sector. For example, in Education, higher institutions lack adequate broadband access to enable the delivery of educational services on technological platforms; in Health there is lack of Telecommunication to support health service delivery and in the Environment lack of standards for the location of Telecommunication infrastructure has increased radiations and its effect on the citizenry.

The sub-sector faces the following challenges:

- Lack of Unified Licensing Regime
- A setback back in the expansion of infrastructure due to the loss of NIGCOMSAT
- There is insufficient backbone infrastructure, for example, the fixed landlines
- Power: Inadequate power supply is a major challenge to service operations
- Security: Incremental expenditure incurred from providing security to infrastructure at sites
- Inadequate national backbone infrastructure e.g. Not maximizing the use of SAT-3
- Finance: High tax burden and low incentives

3.5.3 Investment

For Lagos State to have a reliable and accessible telecommunication services by 2025, it will need an investment of N1.7 trillion. A significant proportion of this amount will need to be spent on Research and Development while the balance is spent on Telecommunications Infrastructure. Fortunately most of the money is likely to come from the private sector as this sub-sector is attractive to private investment. The State contribution may thus turn out to be insignificant, mainly on contributions to Research and Development to ensure that the technology is appropriate and relevant to State development.

Chapter 4

Social Development and Security Strategic Area

4.1 Pillar Overview

While each citizen has an obligation to its State such as allegiance and payment of taxes, the State also has an obligation to provide services to its population. It has to offer services and facilities that enhance both equality of opportunity and quality of life. Citizens need access to quality and affordable education, quality health care, sporting and recreational facilities. Beyond this, the State has to respond to the needs of the disadvantaged groups (e.g. people with disabilities, the poor, the homeless, orphan and vulnerable children, and the terminally ill or older people). These people need special services and facilities to help them cope with life and participate fully in their communities. The State also has a duty to safeguard the security of each citizen and his property and to advance his welfare.

The chapter assesses the current performance of the State in the delivery of these services. The State has undergone significant demographic and economic changes over the last ten years and these changes have given rise to a variety of social impacts and created new social needs which are identified and discussed in this chapter. For example, rapid growth in population has resulted in higher demand for school places, unemployment and rising costs of welfare. The same population growth has put pressure on health services and other social amenities. The growing number of unemployed young people is raising social concerns and is beginning to be associated with rising crime. The role of the Justice

sector in dealing with crime and disputes is also dealt with in this chapter. Each of the above service areas are presented below.

4.2 Education

4.2.1 Introduction

Education's mandate is to develop and provide human capital for the State, aimed at supporting macroeconomic development and implementation, amongst other focus areas. If service delivery in this area is compromised, economic growth is slowed considerably due to a skills deficit in crucial sectors such as the finance and economic and infrastructure sectors.

4.2.3 Physical Facilities

Currently there are 1001 public primary schools (PS), 321 public junior secondary schools (JSS), 310 public senior secondary schools (SSS) and 9,762 private primary schools and 4,025 private secondary schools in Lagos State. The private education sector is, therefore, by far the major player in the school sector. The infrastructure in schools is reported to be poor, especially in the public sector. This is evident in dilapidated school buildings and inadequate water and sanitary facilities. This adversely affects the teaching and learning environment. Only a few of these schools can provide the conditions in which the State can fairly ask students to learn to the highest standards and prepare themselves to meet their future needs. All schools report shortage of resources. This again adversely affects the teaching and learning environment. It has been shown all over the world that whenever user fees are abolished, enrolment increases and therefore to sustain the free education system, budget and revenue adjustments need to be made to support the school system.

4.2.4 Enrolment

Enrolment in schools is high and increasing. A comparative analysis of enrolment by level between 2009/10 and 2010/11 revealed an increase in the total number of pupils and students in public schools. For instance, as at November 2009, the enrolment was 1,019,815, while that of 2010 was 1,152,095. These changes are shown in the Table 8 below.

Table 8: School Enrolment by level (2009/2010 and 2010/2011)

S/No.	Level	Enrolment	
		2009/2010	2010/2011
1.	Pre - primary	57, 463	57,633
2.	Primary	387, 581	395,187
3.	Junior Secondary	320, 183	318,064
4.	Senior Secondary	254, 588	381,311
	TOTAL	1,019,815	1,152,095

Source: Education MTSS 2012 - 2014

The explanation for such high enrolment is rapid population growth in the State compounded by in-migration of families with school aged children. Lagos State offers free primary education and this attracts children from neighbouring States. High enrolment figures have many implications that the plan will address. Some of the critical issues to be addressed by the plan include:

- Quality of education: The rapid growth in enrolment is at the detriment of the overall quality in education. Problems imposed by the rapid expansion of the system include lack of capacity for planning and management by the education authorities, limited financial resources, inadequate information and monitoring systems. The quality of education at secondary school level is better in public schools than in private schools. This has resultantly increased the demand for public education as parents and guardians request for transfer of their children from private to public schools at this level. This uncontrolled increase in enrolment if not addressed will have serious implications for the infrastructure and facilities available in the public secondary schools.
- Funding: Inadequate funding has had an impact on the organisation and management of education at all levels. It adds pressure on the already struggling school administration. There is thus need for more funding for the reconstruction of infrastructure, and an improvement in the quality and standard of all educational programmes.

- Pre-primary. Insufficient attention is being directed towards Early Childhood Care Development and Education. There are few school facilities for this and in those schools where ECCDE is available teachers are insufficiently prepared for dealing with children of this age.

4.2.5 Other Major Quantitative Educational Indicators

Other major educational indicators are shown in Table 9 below. They show slight improvement in the areas of classroom pupil/student ratio and teacher- pupil/student ratio. There has also been consistency in the availability of free textbooks to pupils and students.

Table 9: Summary of Classroom-Student Ratio, Teacher-Student Ratio and No of Textbooks per Pupil 2009-2012 (PRY, JSS,& SSS)

	PRIMARY			JSS			SSS		
Indicator	09/10	10/11	11/12	09/10	10/11	11/12	09/10	10/11	11/12
Classroom student ratio	1:33	1:42		1:87	1:78		1:68	1:63	
Teacher student ratio	1:28	1:30		1:34	1:35		1:26	1:28	
Textbooks per pupil	5	5	5	5	5	5	5	5	5

Sources: Annual Schools Census Report 2010/11, MOE & SUBEB.

The critical issues to be addressed by the plan in this area include:

- Geographical distribution: While there is a slight improvement in the average classroom-students ratio at the JSS and SSS levels, some LGAs are reported to have very high classroom-students ratio. For instance, Ojo LGA has a ratio of 1:127 and Alimosho 1:118. Similarly, the teacher-student ratio at Ajeromi/Ifelodun LGA for example, at the JSS level is 1:65.
- Support Services: Despite the other positive indicators, there are several other challenges that have been noted including problems associated with inadequacy of infrastructure and equipment, existing population of graduate teachers without teaching

qualification, low capacity of staff, especially in ICT and attitude of parents which has contributed to the low performance of students in terminal examinations. Some tangible programmes are needed to overcome these challenges. For example, in order to counter the adverse effects of increased student-teacher ratios, it is necessary to employ and train more teachers, provide more teaching and learning resources, and rehabilitate/construct new facilities.

4.2.6 Quality Assurance

Quality assurance mechanisms are reported to be weak despite a plethora of inspection services at all levels of the system. Inspections have not been adequately institutionalized in the operations of the administrative structure of the State Education Sector and are thus rendered ineffective. This contributes to the failure of many pupils to reach critical minimum standards. The institutionalisation process needs to be fast tracked so that the appropriate agency can be established for effective quality assurance enforcement in the State education sector.

4.2.7 Policy, Institutional Issues and Regulation

Lagos State policy on education is a derivative of the National Policy on Education (NPE). There are sufficient policy statements and legislation to guide the development of education in the State, including the NPE (2004) which made education an instrument for national development and ensuring that every Nigerian child has the right to equal educational opportunities, the Millennium Development Goals (MDGs), the UN Education for All (EFA) Goals with their emphasis on Early Childhood Care and Education and the harmonized National and State Economic Empowerment and Development Strategies (NEEDS and LASEEDs) and the 10-Point Agenda with its challenge that the education sector has the responsibility to produce and supply the required manpower and human capital to propel and sustain development in the State.

The Education system is made up of 9 years of compulsory basic education (6 years of primary and 3 years of junior secondary education), 3 years of senior secondary or technical and vocational education and 4 years of tertiary education. The rationale behind Basic and Senior secondary education is to allow the beneficiaries to function as competent and productive members of the society, while that of the tertiary is to ensure professional and manpower development.

To effectively manage the education sector in Lagos State, the following MDAs are key players; Ministry of Education (MOE), State Universal Basic Education Board (SUBEB), the six Education Districts, Office of the Special Adviser on Education (OSAE), Teachers' Establishment and Pensions Office (TEPO), Adeniran Ogunsanya College of Education, Lagos State University (LASU), and Local Government Education Authorities (LGEAs), Lagos State Technical and Vocational Education Board (LASTVEB), Library Board, Scholarship Board, Examinations Board and Agency for Mass Education. These key MDAs are charged with the responsibility of driving other stakeholders in the fulfilment of the priorities.

There are not many institutional and regulatory challenges that are being faced but the few that exist include:

- Duplication and overlaps: There are many overlaps between the ministry departments/parastatals and the Local Government Areas. For example, LGEAs and LGAs have overlapping roles in the financing of primary education. LGAs withhold or delay releasing funds for primary schools.
- Governance: Education governance and management structures are reported to be over-bureaucratic, too centralised and lead to duplication, ineffectiveness and a lack of decisive action.
- Community interest in schools: There is a challenge for the State to encourage communities where schools are located to participate more fully in the progress and welfare of the schools in terms of provision of moral and financial support. In order to encourage more effective community participation, the State may need to insist on assignment of students to schools nearest to their homes.
- Regulation of private schools: While encouraging the establishment of private schools, the State will need to do better regulation and only register those schools that meet the set standards and guidelines issued by the ministry. There should thus be regular publication of appropriate guidelines on establishment and operation of different categories of private schools.
- Financing: Education financing has been strongly shaped by the recent fluctuations and reductions in the percentage allocations from the State budget. In 2008, 12.09% of the State budget was allocated to Education, while in 2009 it decreased to 9.58% and rose again to 13.26% in 2010. This percentage may need to be reviewed upwards if education is to play its expected role in State development.

4.2.8 Prospects

There is a great desire in the State to improve the quality and accessibility to education. In order to achieve this, the following areas, which are the current priorities of the State Government, therefore require sustainability and increased support:

- Provision of free text books
- Construction and Rehabilitation of classrooms
- Provision of school furniture
- Provision and rehabilitation of school laboratories and ICT centres
- Training and retraining of teachers in new strategies
- Professional development of practicing teachers without teaching qualifications.
- Recruitment of additional qualified teachers
- Reinvigoration of all education structures to improve their performance and promote more effective school management

The Education Sector will also need to respond to HIV/AIDS. The State Ministry of Education through the Department for Private and Special Education Programmes has been involved in the implementation of an HIV/AIDS Education programme using the Population/Family Life Education Curriculum of the Nigeria Educational Research and Development Council. Workshops have been organized for master trainers from the State who have since been involved in the training of their colleagues back in their respective schools. Other efforts aimed at supporting the HIV/AIDS campaigns in the State include the UNFPA inter-ministerial intervention which involves the Ministries of Education, Women Affairs and Poverty Alleviation, Health, and Information.

In order to respond to the above challenges LASG will need to expand its spending on education from the present N40 billion to N140 billion per annum by 2025 or at least 15% of LASG annual budget then. LASG currently spends 1.2% of GDP or about 10 - 12% of the LASG budget on education.

These financial demands are much higher than what the State budget has been able to support. The sector has therefore to turn to Donor support and private sector involvement. Help is expected from Donor Agencies such as UNESCO, UNICEF, DFID, UNDAF, and UNFPA. For Public - Private Partnership (PPP) Initiatives, corporate organisations and individuals will need to be invited to provide tangible support for the education sector in the State. Private or donor spending on education has

to be in the range of N218-306Bn annually by 2025 to make a significant impact.

4.2.9 Summary of Issues

- Pressure on educational delivery system from free education and significant in-migration rates
- Uncontrolled expansion of human settlements complicates education service delivery especially at lower levels.
- Overcrowded classes in public schools – classroom/student ratio of 1:32 in primary schools; 1:76 in junior secondary schools and 1:49 in senior secondary schools.
- Inadequate number of teaching staff - teacher/student ratios 1:36 in primary schools, 1:38 in junior secondary schools and 1:28 in senior secondary schools
- There is high population of graduate teachers without teaching qualification
- The infrastructure and equipment in schools is reported to be poor, many schools with near dilapidated school buildings and lacking adequate water and sanitary facilities.
- Quality of learning outcomes in private primary schools poor
- Attitude of parents has contributed to the low performance of students in terminal examinations.
- There could be a growing number of children out of school
- Insufficient attention is being directed towards Early Childhood Care Development
- No adequate provision for physically challenged children
- Inadequate programmes to respond to HIV/AIDS, particularly imparting of lifeskills among primary school children.
- Poor transportation that makes it difficult and time consuming for students to reach school
- Transport congestions reduces attendance and concentration
- Power shortages constraint to teaching and learning
- Most parents find the private sector secondary education expensive. This causes congestion in public schools facilities.
- Inadequate funding for purchasing modern teaching and learning aids
- Inadequate funding for the training and retraining of teachers
- Poor regulation of private schools
- Proliferation of unapproved schools at primary school level (2,000 of them)
- Community interest in schools low:

- Shortage of land to build new public secondary schools
 - Poor completion and progression at levels of education
 - Inadequate support for special needs students
 - Lack of IT infrastructure leading to failure of students to acquire skills that are relevant and appropriate to the growing market
- Inspections are not adequately institutionalized in the operations of the administrative structure of the State Education Sector and are thus rendered ineffective*

4.3 Health

4.3.1 Introduction

Health's mandate is to protect, promote and restore the health of Lagosians and to facilitate the unfettered access to quality healthcare services without financial or other barriers. A healthy person will contribute to the growth of the economy by spending more hours doing productive work and an efficient health system will use less of the State's resources.

4.3.2 Facilities and Manpower

Lagos state has an improved Primary Care System but there are disparities in the accessibility to care and coverage. The distribution is better in the urban areas than the hard to reach areas. Lagos Island has only 4% of the total registered health workers and maternal mortality rate stands at 310 per 100,000 live births, which is the lowest in the State (the State figure being 555). In addition, the Federal Government runs nine specialist hospitals, one of which is a teaching hospital and the services provided augment the health services provided by the State Government and private health facilities. Total registered private health facilities stand at 2,443 as at 2011 and account for over 60% of the state health expenditure. Table 10 below shows the distribution of health facilities.

Table 10: Lagos Health Facilities**Primary**

Facility	No
Primary Health Care Centres	276

Secondary

Facility	No
Operational Emergency Medical Centres	5
Maternal and Child Health Centres	5
20 bed highway accident and emergency centre	1
Health Centres	11

Tertiary

Facility	No
BT Health and Diagnostic Centre	1
Dental Care Centre	1
Cardiac and Renal, Burns and Trauma Centre	1
Teaching Hospital	1

Source: Ministry of Health 2012

State Public Health personnel across all levels include 1945 doctors and 6,164 nurses. Despite having the largest workforce in the nation, the numbers are insufficient in comparison to the close to 20 million people being served. The skills levels are also low for some healthcare professionals. Like the health infrastructure, the personnel have a skewed distribution in favour of the urban areas. The Board of Traditional Medicine has made progress in the registration of traditional practitioners and to date has registered over 2,000 of this significant group of practitioners who are believed to be patronised by a significant proportion of the population especially in the rural areas.

4.3.3 Major Health Indicators

Table 11 below shows changes in major health indicators between 2004 and 2009.

Table 11: Lagos State Health Indicators, 2004 and 2009

Indicator	2004	2009
Life expectancy	-	61.5 yrs
Infant mortality (per 1000 live births)	352	59
Under 5 mortality rate (per 1000 live births)	471	89
Proportion of 1 year old children immunized against measles	30%	68%
Maternal mortality (per 100,000)		555
Proportion of births attended to by trained health personnel		
HIV/AIDS incidence rate		3.3%
HIV prevalence among pregnant women in the State	4.7%	5.1%
HIV prevalence among 15 – 24 years old women		5.1%
Percentage of population aged 15 – 24 years with comprehensive knowledge of HI V and IADS prevention and methods	72.75%	56.3%
Incidence, prevalence and reported death associated with Malaria	43	72
Percentage of children under 5 sleeping under insecticide treated bed nets		6.5%
Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs		57.8%
No of malaria death cases reported	308,936	226,760
No of malaria deaths		10,289
No of tuberculosis cases reported	6,351	
Proportion of tuberculosis case detected and cured under directly observed treatment short courses		

Source: MDG Report 2009, MTSS 2010, SMF 2011

Although these figures are out of date, they continue to indicate the current state of health in the State. The figures provide a factual baseline for the State to use in mapping out strategies and setting realistic targets with respect to the health sector. The State's maternal mortality of 555 deaths per 100,000 is higher than the national average. The State-specific prevalence rate for HIV/AIDS at 5.1% has remained static since 2008. While it is a relief for the State that there is no increase, current strategic interventions should be reviewed and strengthened or amended where necessary for the desired impact on the population. Malaria mortality also remains a concern as there were 10,289 reported malaria deaths in Nigeria in 2007, compared to 64 in Brazil and 1,173 in India.

Access to health care services has many challenges. First and major, the challenge of uncontrolled expansion of human settlements and proliferation of slum dwellings in the city makes it difficult for the indigent and most vulnerable to access health care services. With a population close to 20million, there is much pressure on the existing facilities. In addition, there is inappropriate distribution of health workers in the public system resulting in insufficient doctors and nurses at the primary health care level. The skills level for some specialties like

neonatology, paediatrics, neurosurgery, anaesthesia and radiology are relatively low. There is a large market of unregulated and unregistered traditional practitioners who are patronised by a good number of the population, especially in the rural areas. Poor infrastructure is still seen as a major contributor to health problems (e.g. open standing water promotes the breeding of mosquitoes which are the vectors of malaria). Similarly, poor environmental conditions contribute to the health problems (e.g. lack of clean water). Despite the high literacy level (84.7%), achieving progress on health education is still a big challenge, as evidenced by the rather high occurrence of communicable diseases and epidemiologic transition to non-communicable diseases. The above factors accompanied by poor health insurance coverage, poor health seeking behaviour of the populous and the poor attitude of some care givers, is a big challenge to achieving access and equity in the health sector. Carrying out these tasks will require significant increase in funding of the health sector. Developing countries that have been successful at improving health outcomes through public health and better health services typically spend at least 5% of GDP to achieve these results. They also have a higher contribution by the private sector. According to the investment case report, per capita health spending may need to be increased from US \$8 per person in 2012 to US \$19 by 2020, with major contribution from the private sector.

4.3.4 Preventive Care and Disease Management

The growing population of the State, together with its attendant health problems such as increasing demand and rising costs will make the health system unsustainable if the current strategic interventions with respect to promotion, preventive and rehabilitative health care programmes are not intensified. The following programmes are presently guiding the policy and implementation thrust in the preventative care and disease management sub-sector:

- Integrated Maternal and Child Health
- Integrated Management of Child
- Illnesses Reproductive Health
- Cervical Cancer Awareness and Screening
- Programme Hypertension and Diabetes Screening
- Medical Missions
- Mental health
- HIV/AIDS Control Programme
- Roll Back Malaria Programme

- Tuberculosis Control Programme
- Avian Influenza Control Programme
- National Programme on Immunization
- School Health Programme
- Nutrition (School Milk) Programme
- Blindness Prevention Programme
- Rural Health Programme
- Onchocerciasis Control Programme
- Leprosy Control Programme
- Adolescent Reproductive Health Programme
- Emergency Medical Services (LASEMS and LASAMBUS)
- Free Health Programme
- Eko Free Malaria Programme
- Limb Deformity Corrective Surgery and Rehabilitation Programme
- Breast Cancer Awareness and Screening Programme
- Cleft Palate and Lip Surgery Programme
- Prostate Cancer Awareness and Screening Programme

The programmes are at various levels in terms of performance but are all reported to be registering positive progress. There is no significant social insurance, so a large percentage of the population has no access to healthcare. The National Health Insurance Scheme is mainly for civil servants and the organised private sector.

4.3.5 Policy and Institutional Arrangements

Lagos State health policies are to a large extent consistent with Federal Government level policies. At the Federal Government level, the goal of the national health policy and programme is to establish a comprehensive health care system, based on primary health care that is promotional, protective, preventive, restorative and rehabilitative to every citizen of the country within the available resources so that individuals and communities are assured of productivity, social well being and enjoyment of living. By virtue of its robust private sector, Lagos State boasts a State health system that encompasses public and private providers of health services and provides the population of the State with the best possible health services that meet national standards but within the resources it has at its disposal. The State policy has set out the rights and duties of health care providers, health workers, health establishments and users.

The specific agencies and departments that are important to development of the Health Strategy are the Lagos State Ministry of Health (MOH), Lagos State University Teaching Hospital Board (LASUTH), the Health

Service Commission (HSC), all twenty-four (24) General hospitals, the Primary Health Care Board (PHCB), Board of Traditional Medicine (BTM), Blood Transfusion Committee (BTC), College of Health Technology (CHT) and Lagos State AIDS Control Agency (LSACA).

The Ministry's role is largely one of overall sectoral oversight with specific functional responsibility for leading sector policy formulation and implementation as well as monitoring policy compliance while agencies like LASUTH Board, HSC, and PHCB perform similar roles pertinent to their respective tiers of healthcare. The Regulatory Agencies like BTM and BTC are charged with enforcing regulatory laws/policies. The facilities on the other hand concentrate on providing healthcare services while retaining the substantive authority for their institution's management and operational decisions.

Prominent on the needs for all stakeholder groups are the need for access to affordable, quality, adequate healthcare services irrespective of gender, culture or socio-economic status. They also need adequate and appropriate policies to back health initiatives and protect client interests.

4.3.6 Prospects

As it faces the future and as shown above, the health sector faces the challenge of uncontrolled expansion of human settlements and proliferation of slum dwellings in the city making it difficult to reach the most vulnerable. This rapid expansion will result in more cases of poor refuse collection and flagrant pollution of the environment, including drinking water resources, leading to the spread of water and airborne diseases.

The sector will face other challenges from the broader economy and societal development, including high cost of health care provision. This, accompanied by poor health insurance coverage, poor health-seeking behaviour of populace and poor attitude of some care-givers, will be a big challenge to achieving access and equity in the health sector. In order to achieve this goal of access and equity, the sector will need to:

- Make more efforts at improving regulation of private health care providers and patent medicine vendors and reduce reliance on unregulated and unregistered health care practitioners.
- Work on raising the socio-economic status of women, most of them

involved in low income occupations and improving attitudes towards adolescent reproductive health that put young girls in danger of unsafe abortions and unattended delivery.

- Improve health infrastructure.
- Improve qualifications of health personnel.
- Attend to the inadequate HIV service delivery points, especially in hard-to-reach areas as well as responding to the challenges left by the scale-back in HIV testing and treatment by development partners over the last few years.
- Strengthen the monitoring and evaluation system that is currently judged as weak and not producing reliable programme and service statistics.
- Build more and stronger collaboration with other MDAs, particularly those in the infrastructure and environmental sectors.

Carrying out these tasks will require significant increase in funding of the health sector. Developing countries that have been successful at improving health outcomes through public health and better healthcare services typically spend at least 5% of GDP to achieve these results. This is based on a benchmark of countries with rapidly growing population and economies, including China, India and Brazil. LASG currently spends 0.7% of GDP or about 6% of the State budget on healthcare. This means that the private sector may need to contribute much more than it has done so far. The Ministry estimates that the private sector contribution may need to reach N350 billion per annum by 2025.

4.3.7 Summary of Issues

- *Pressure on healthcare system from increasing immigration and uncontrolled expansion of human settlements.*
- *Proliferation of slum dwellings makes it difficult to reach the most vulnerable.*
- *Increasing demand and rising costs make some of the health system efforts unsustainable.*
- *Public health infrastructure remains inadequate in relation to the size of the population.*
- *There are disparities in the accessibility to care and coverage. The distribution is better in the urban areas than the hard-to-reach areas. There is unstable and epileptic electricity supply to health institutions.*
- *Transport problems make delivery of emergency services a big challenge.*

- *Fragmentation and duplication of responsibilities between Federal and State*
- *Poor refuse collection, sanitation and flagrant pollution of the environment, including drinking water resources, lead to the spread of communicable diseases, e.g. malaria and malaria deaths remain widespread*
- *Poor health-seeking behaviour of*
- *populace Poor attitude of some care-givers*
- *Inadequate financial resources at all levels of*
- *healthcare Poor health insurance coverage*
- *Insufficient collaboration with other MDAs, e.g. in the infrastructure and environmental sectors*
- *There are insufficient numbers of qualified health personnel in the public system. .*
- *There is inappropriate distribution of health workers in the public system resulting in insufficient doctors and nurses at the primary health care level*
- *Inadequate HIV service delivery points in hard to reach areas*
- *Challenges left by the scale-back in HIV testing and treatment by development partners over the last few years.*

4.4 Social Protection

4.4.1 Introduction

The segments of the population who require attention from social development and protection programmes include youth, various categories of women, children, persons living with disabilities, orphaned and vulnerable children, terminally ill and older persons of over 70 years (the vulnerable). These groups of persons either do not reach their full human potential or cannot contribute effectively to economic growth and sustainable social development due to vulnerability and exclusion. The capacity of LASG to provide for the needs of these vulnerable groups has not been fully explored.

4.4.2 Challenges

Lagos State attracts migration/job creation, increasing pressure on social development infrastructure, economic empowerment on youth, women, children and sporting facilities. Poor infrastructure gives rise to social miscreants and contributes to youth and sport development problems (e.g. few community playing grounds are in a state of disrepair and are

turned to party centres). Insecurity also contributes to youth and sport development problems (e.g. area and garage boys' violence). Massive unemployment and joblessness of women and youths fostered a state of hopelessness, social vices and criminality. A significant percentage of the youth population are not exposed to sporting activities while significant percentage of the youth and women population are also not exposed to skills acquisition/ vocational training and other development programmes. There have also been insufficient competent social workers/sports personnel.

Low awareness rates, despite the high literacy rates in the State, have their share of development problems. Low awareness rate reduces the uptake of social development programmes and increases youth and sport development problems. State statistics show that that over 85% of Lagosians are literate but 18% are not aware of the opportunities available to them or services offered by the State for their benefits. The 2010 figures show that about 40% of Lagosians lived below poverty line of \$1 a day. Life expectancy for Lagos State is at 61.5 years.

Stakeholder groups in the Social Development Sector include the Ministry of Women Affairs and Poverty Alleviation, Ministry of Youth and Sports, Women Development Centre and Ministry of Special Duties, Lagos state-owned parastatals, Organised Private Sector, groups supported by Development Partners, Youths, Trade Associations and Community Development Associations. Their identified needs include provision of basic infrastructure, easy access to finance, provision of skills acquisition and vocational training schemes, enabling investment environment, legislative support for sector initiatives, and sustainable sources of funds. There has also been a proliferation of interest groups and voluntary organisations without much supervision from the government.

4.4.3 Responses

Agencies in the Social Development and Social Protection sub-sector have responded in different ways to some of the above challenges. Some of the positive actions have included:

- Implementation of small and medium scale industry schemes in conjunction with Ministry of Commerce and Industry
- Implementation of agriculture small-holders scheme in collaboration

- with Ministries of Agriculture and Rural Development
- Development of a limited number of youth centres and sports infrastructures.
- Seventeen (17) skills acquisition centres (Long term Training) spread across the State to combat poverty levels targeted at women and youth. Two remand homes housing 116 inmates.
- Three approved schools for juvenile delinquents.
- One (1) Transit home with (176 bed space) for the victims of domestic violence and human trafficking.
- One old people's home
- Some sports programmes specifically for the youths were introduced, notably: MTN Lagos Street Soccer championship Home/ clinic for physically challenged children
- Operation of two (2) Farms for training interested grassroots Women and Youth in Agricultural Production and Animal Husbandry. Quarterly Short Term Training for grassroots Women, Youths, etc Motherless babies Home

4.4.4 Prospects

With population expected to grow strongly over the next few years, pressure on social development and youth and sporting facilities will continue. This means significantly more spending to meet the Social Development and Protection programmes, both from the LASG and the private sector. LASG currently spends 1.04% of its budget on social development and less than 1% on youth and sports programmes and infrastructure. Countries and States of a similar size spend at least 4% of their annual budget on social development and 5% on youth and sports programmes respectively. Annual spending on these sub-sectors is expected to reach N110 billion by 2025.

4.4.5 Summary of Issues

- *High degree of poverty among citizens*
- *Pressure on social infrastructure (sporting facilities, community centres, etc) from high population growth and migration*
- *Poor infrastructure gives rise to social miscreants and contributes to youth and sport development problems (e.g. few community playing grounds are in a state of disrepair and are turned to party centres.*
- *Youth populations are not exposed to sporting activities and empowerment programmes. Tendency to focus on football development to the neglect of other competitive sports.*
- *Insufficient competent social workers/sports personnel*

- *Insecurity also contributes to youth and sport development problems (e.g. area and garage boys' violence).*
- *Proliferation of interest groups and voluntary organizations without much supervision from the State Government*
- *Inadequate number of skills acquisition centres in the State to combat poverty*

4.5 Security

4.5.1 Introduction

A state where the population is not safe and secure, where there is no peace and where justice and rule of law are not key is a failed state. Lagos State vision for security and safety is to have a State where life and property are safe and secure and public peace is maintained. In order to achieve this Lagos State recently established the Lagos State Safety Commission to ensure the principles of good governance and accountability are followed. Lagos State will protect life and property in Lagos State through an effective system of policing, law enforcement and prompt intervention in emergencies. These will be achieved by building the capacity of security and safety personnel and institutions to deliver services; educating the public on security and safety, reforming public perception of security and safety personnel and involving communities and corporate organizations in security and safety management.

4.5.2 Sector Metrics

The current state of security and safety in Lagos State is difficult to ascertain due to weak statistics. Whilst Justice is a State function administering the prosecution and court procedures the primary role of policing and the fire service are Federal responsibilities. The Nigeria Police Force operates a Lagos Command with 8 Area Commands. Apart from the normal police officers there are a number of Special Forces such as the Mobile Unit, the Marine Unit, the Air Unit and the Anti-Terrorist Squad. There are also various local authority security personnel, patrolling markets and other crowded areas and there are a number of active Neighbourhood Watches. The Lagos State Security Trust Fund, a Public Private Partnership has been established to provide support and back up from the private sector to ensure greater security. Past figures suggest that the number of security and safety personnel stood at 135 police and 3 state firemen per 100,000 Lagos citizens. There is one state

emergency response centre. These are very low figures from an international standpoint but more recent statistics may show an improvement. The Fire Service is thought to be especially weak and requires strengthening.

4.5.3 Challenges

The key challenges to provision of good security and safety to the people of Lagos State lie with poorly trained security and safety personnel. Crime fighting tools and equipment used by state security officers are inferior to those used by criminals and there are insufficient statistics on security and safety to assist in planning and management. Other challenges which cut across sectors include poor public perception of government officials especially security and safety personnel; traffic congestion which frustrates emergency response time; poor infrastructure which contributes to fatal accidents for example poorly erected buildings and bad roads; and higher mortality rates as a result of insufficient public education on how to respond in the event of an emergency.

Other challenges include constitutional bottlenecks around the management of the State's internal security and poor remuneration for public officers which encourages corruption.

4.5.4 Government's Response

The State Government has responded to some of these challenges by establishing Lagos State Safety Commission to take charge of the security and safety issues in the State. Security services are being radically revamped and security agencies better equipped through the New Security Initiative, enhancing opportunities for greater security of life, property and investment in Lagos State. The State has upgraded Rapid Response Squad (RRS) and established Free-Call Emergency Response Systems and processes. The State has also embarked on a programme to eliminate 'black spots' around Lagos through various sub-programmes such as street lighting, clearing bushes within and around the metropolis and beautifying Lagos through the landscaping programme. In lieu of a state police (which is a Federal government responsibility) the State continues to strengthen community policing and support security awareness programmes. Also through the Town Hall meetings, intense advertisement and promotion of the government's policies and activities in tackling the high crime rate in the State are being disseminated.

4.6. Justice

4.6.1 Introduction

The State will ensure its citizens fully enjoy their fundamental rights and freedoms by assuring legal order, respect for the rule of law, nurture a responsive and fair system of justice for all and sustain a coherent anti-corruption culture. Accordingly Ministry of Justice will continue to draft laws, interpret laws and monitor the enforcement of rule of law to bring about predictability in the system; provide services to facilitate the settling of disputes between individuals, groups and other governments; create public awareness of Justice issues; protect the constitutional rights of citizens, consolidate and codify laws for promotion of democratic gains; maintain the independence of the judicial system. The Justice sector will also continue to carry out law reforms to effect greater social justice; provide means of redress when people are abused by organs of the state; and carry out legal directives imposed by the courts for the protection of society. Justice sector will continue to set up structures and institutions for consolidating democratic gains, good governance, ethics and values, promotion and protection of human rights, enhance transparency and accountability and develop and institutionalize anti-corruption strategies and programmes.

4.6.2 Sector Metrics

The current state of Justice in Lagos State shows that there were 0.97 judges per 100,000 cases. The average length of case was seven years although this is reducing while the average number of civil cases filed per High Court judge in 2005 was 169 and per Magistrate was 78. The average number of criminal cases filed per Magistrate was 144 and the number of detainees released in prison decongestion programme in 2005 was 110. The total number of lawyers called to the bar in Nigeria since 1887 stood at 60,230.

Statistics show that Lagos State does better than Nigeria as a whole on some key Justice Indicators but still lags behind many developing nations. The number of judges in Lagos State was stated at 0.97 whereas the average for Nigeria stood at 0.78, Sri Lanka was 1.13, Malaysia was 1.17, United Kingdom was 2.25, South Africa was 4.37, Brazil was 8 and Portugal the highest stood at 14.8.

4.6.3 Challenges

Lagos State suffers some challenges which include insufficient numbers of lawyers, judges and support personnel; overburdened Judiciary and Magistracy; inadequate working materials and tools such as information and communication technology; insufficient data on the sector activities and low level of Justice Aid to the indigent population. There is also low skill level for significant number of professionals and training is inadequate and haphazardly carried out.

Other challenges include the fact that Lagos State attracts migration which therefore increases pressure on State security and the justice systems. As with other states in Nigeria, Lagos State lacks adequate infrastructure, example erratic and inconsistent power supply which limits the use of the technology available. Also the low literacy and awareness levels of the population limit their knowledge of their rights leading to wrongful arrests and/or detention. The poor quality education at primary, secondary and tertiary levels result in preponderance of limited skills and competencies in the job market for example semi-illiterate graduates and computer operators/typists who can barely speak English. These indices and challenges call for attention although Lagos State is doing better than all other states in the Federation.

4.6.4 The Government's Response to some of the challenges

Lagos State in recognition of the critical role law and order plays in society and in development, embarked on a sensitization campaign of the public on law and order offences with a view to changing public attitude and to solicit public support. The State also re-organised the existing legal aid services making access easier to the public. The State has concluded the Arbitration law reforms which is essential for rapid enforcement of the law of contracts and will engender investor confidence and security of contracts. In its efforts to speed the judicial processes, the State constructed more high and magistrate court rooms, provided training for judges and magistrates; and stenographic training to court personnel. The establishment of alternative dispute resolution mechanisms such as the Citizen's Mediation Centre has also reduced the pressures on the judicial systems. In order to engender confidence in and for security of contracts, the State passed the 2008 Arbitration Law and established the Lagos Court of Arbitration. Furthermore, land law and the procedure for obtaining Governor's consent have been liberalised while land records and land/property registry have been fully computerised thereby establishing databases.

Chapter 5

The Sustainable Environment Pillar

5.1 Pillar Overview

The natural environment of Lagos State can be broadly characterised as a low lying coastal zone, of which 22% consists of water found in lagoons and creeks. An additional 18% of land is very low and subject to regular flooding. The long coastline of 180km, comprising 22% of the nation's total coastline, fringes the Atlantic Ocean.

Most of the land in Lagos State has an elevation of less than 15m above sea level. The land surface in Lagos State generally slopes gently downwards from north to south, and is particularly low lying and flat in Victoria Island, Lagos Island/Ikoyi, and Apapa. Large parts of the mainland Lagos are built on a slightly higher north-south ridge. Metropolitan Lagos, comprising a number of urban land uses, is estimated to cover about 85% of the land area of the state and continues to encroach upon the remaining non-urban land areas, some of it outside state boundaries-Lagos state is on a built-up land area of about 18,558 Hectares made up of about 9,669 hectares residential (52.1%), 1,021 hectares commercial (5.5%); 1,448 hectares industrial (7.8%); 2,784 hectares institutional and special areas (14%); 3,340 hectares transportation (18%), and 52 hectares open spaces (2.8%).

The original vegetation zones of saline and freshwater mangrove swamps, rainforests and secondary forests have declined sharply over the decades as development and reclamation have proceeded.

The impact of urbanisation on the environment, especially where that environment is fragile and prone to flooding or erosion is the central concern of the various elements that make up this Development Pillar. Apart from flooding the other key areas of environmental concern relate to the ways in which the rapid growth of urban Lagos has caused air, land, water and noise pollution to outstrip the regulatory frameworks and impact upon the quality of life of Lagos citizens and raises concerns about the longer-term sustainability of the Lagos environment. The issue of slum housing and generally poor, unregulated and unplanned neighbourhoods is also considered in this Development Pillar.

Another factor of concern is the issue of climate change. The last few years has witnessed higher than average rainfall for Lagos, sometimes causing major flooding and disruption. This has been characterised as a likely consequence of changing global climate and as such a harbinger of future trends. The possibility of increasing storms may also impact on a coastal state such as Lagos.

The major challenges in creating a sustainable environment in a rapidly urbanising situation have been described in the following way by the Ministry of the Environment in their Medium Terms Sector Strategy (MTSS):

5.1.1 Summary of Pillar Issues

- *Air, water, noise and land pollution associated with industrial and commercial activities as well as massive and rapidly growing human population.*
- *Increasing population growth – rate of about 6-8% compared with national and global figures of 2% and 0.8% respectively*
- *Uncontrolled physical development with adverse impact on the adequacy of available public infrastructure e.g. drainage.*
- *Rapidly increasing waste generation state-wide; over 10,000 metric tonnes/day.*
- *High impact of storm water flooding and erosion.*
- *Inadequate/ineffective solid waste management.*
- *Sub-optimal sanitation level, especially in city centres.*
- *Inadequate environmental data.*

The remainder of this Chapter looks in more detail at the six main sectors that make up the creation of a sustainable and attractive environment for the wellbeing and benefit of its citizens as well as one that will encourage more inward investment and job creation. These six areas are drainage and flood control, solid waste management, sanitation, pollution control, the built environment and climate change.

5.2 Drainage and Flood Control

Lagos experiences three types of flooding: urban area flooding which is generated by extremely flat topography (in low-lying areas), excessive rainfall, inadequate stormwater drainage system and obstruction of natural streams and water courses; coastal area flooding which is due to the inundation of the lagoon, estuary and coastlands with ocean wave and storm surges, high tidal levels and arbitrary / unregulated modification of the shoreline; and river flooding due to extremely high water levels in rivers. There are five main rivers discharging both running water and sandy sediments into Lagos Lagoon and Lagos creeks.

5.2.1 Programmes and Measures

The key measures being taken by the State government to combat poor drainage and consequent flooding during the rainy seasons are:

- Public Enlightenment and Advocacy (flood early warning)
- Preparation of Stormwater Drainage Master Plans
- Implementation and construction of Stormwater Drainage Projects
- Yearly de-silting and maintenance of existing urban stormwater drains
- Separation of contravening structures from drainage setbacks and canal right-of-ways (ROWs)
- Discouraging and demolishing slab drains in major roads

Action to combat flooding has increased in recent years. There has been a call to review laws and government regulations governing developments around drains, wetlands and flood plains and to abide by laws which states that set-back to water bodies and canals are 3m for collector drains and 10m to 15m for large canals, lagoon and streams. Efforts are also being made to ensure that people do not reclaim or sandfill canals, do not build kiosks, shops and attachments on drains and canals, do not dump

refuse, debris or waste inside the canal and maintain drains in front of private houses. Further steps are to formulate a coastal zone management policy and physical plan for wetlands and islands in particular and for inland shores of Lagos Mainland and the Ikorodu, Epe, and Shomolu local government areas. In future all State agencies and the Coastline Local Governments (Ibeju/Lekki, Apapa, Amuwo-Odofin, Eti-Osa, Ojo, Badagry and Epe) should seek clearance of the State Governor before embarking on any development on the wetlands. Finally, there has been a call to create a Wetland Management Commission.

As a response to the early onset of flooding in 2012, measures have been taken to undertake emergency flooding prevention/reduction measures. Among the measures put in place is an all-year-round cleaning and maintenance of drainage channels across the state. The drainage maintenance programme, will lead to the de-silting of the major channels in all the 57 LGAs and LDCs, of the state. Municipal waste management has also improved. A comprehensive monthly maintenance and cleaning programme in all the local government councils has been put in place and support garnered from local Community Development Associations (CDAs).

5.2.1 Prospects

The cost of putting into place an effective flood prevention system is considerable. Renovating old drains, building new ones and ensuring proper security through fencing is a mounting challenge that will require some external support, either from development agencies, as is currently the case through the Lagos Metropolitan Development and Governance Project (LMDGP) a World Bank supported project, or by leveraging some private sector support in return for planning permissions for industrial and commercial development. This must remain a high priority for the State

5.2.2 Summary of Issues

- *Developing a Drainage Master Plan that will set out the issues and establish a road map to ensure that a long term strategy is in place to tackle recurrent flooding problems.*
- *Securing appropriate investment to build new drains and ensure existing ones are well maintained.*
- *Engaging local communities in measures to keep drainage channels clear.*

- *Restoration of the Right-of Ways (ROWs) of all earth channels and stormwater ways systems.*
- *Establishment of wetland/flood plain Commission.*

5.3 Solid Waste Management

Solid waste management in Lagos has been the responsibility of the Lagos Waste Management Authority (LAWMA) since 2005 with a significant upgrade of its mandate in 2007. LAWMA is a parastatal under the aegis of the Ministry of Environment. During that time there has been an increased investment in waste management, which has had a significant impact upon the waste management situation in Lagos. Prior to 2007 the previous waste management operations had been grossly inadequate to meet the waste produced by the expanding population of the city. For many years Lagos was described as one of the dirtiest cities in the world. Today Lagos can be seen as much cleaner in most areas and especially along the main highways.

5.3.1 Types of Waste and Recycling

Solid waste consists of several different types of waste: household (domestic), industrial (commercial), hazardous, construction and special, such as medical items. 80% of collection and disposal is mechanized. There are approximately 640 trucks (both LAWMA & private) which collect over 10,000 metric tonnes of waste daily. A large part of rubbish collection has now been privatised through PPPs. A major initiative to clean up the main thoroughfares of Lagos through regular street sweeping and cleaning has resulted in a much cleaner environment, creating a positive image for Lagos. Street sweeping is 92% manual and it is also a good form of job creation.

With a population of 20 million people, waste management is a top priority for the Lagos State Government. The current administration is urging the private sector to get involved in all areas of waste management. Investment opportunities are seen to reside in the huge quantities of waste that a growing population produces. Currently Lagos produces in excess of 10, 000 tonnes of waste per day. This waste comprises many elements many of which can be profitably recycled. Analysis of Lagos waste shows that the largest proportion is vegetables (45%) followed by

Plastics (15%), Papers(10%), Putrescible items (8%), Fine Grade material (8%), Glass (5%), Metals (5%) and Textiles (4%).

5.3.2 Landfill and Transfer Loading Stations

There are 3 major landfills and 2 temporary sites serving Lagos State at the present time. Olushosun Landfill Site: Situated in the Northern part of Lagos within Ikeja Local Government and receives approximately 40% of the total waste deposits from Lagos. The size is 42.7 hectares and a residual life span of 20 years. Abule-Egba Landfill Site: The site occupies a land of about 10.2 hectares in the Western part of Lagos in Alimosho Local Government and receives waste from the densely populated area. The residual life span is approximately 8 years. *The Solous Sites*: Situated along Lagos State University – IBA Road. Soluos II - is on 7.8 hectares of land with average life span of 5 years. Soluos III- a new site with approximately 5 hectares of land with average life span of 5 years. Each site receives an average of about 2,250 m³ of waste per day. *Satellite Sites*: These Satellite Sites comprise Owutu (Ikorodu), Sangotedo (Eti-Osa) and Temu (Epe) dumpsites. These sites serve as back-ups for the other three main landfill sites, and also have an advantage of proximity. They are temporary sites, and receive an average waste of about 1,864 cubic metres per day. Upgrading the three principal landfill sites (Olushosun, Abule-Egba and Solous) are on-going and nearing completion. This will improve the turn round time of trucks and also reduce traffic congestion.

LAWMA's aim is to go beyond creating an efficient waste collection and maintaining clean highways and neighbourhoods to a situation where waste is effectively re-cycled and managed so as to reduce carbon emissions and lessen environmental impact. This will bring it into line with other major modern cities around the world. To this end, the current accent is upon putting in the necessary infrastructure and machinery to sort, package, compress and dispose of waste in compliance with the highest international standards. Transfer Loading Stations (TLS) play a pivotal role in this as places where waste is initially gathered, sorted, recyclable items put aside and the remainder sent to infill sites for compaction. There are several other elements in this approach, including the capture of gas emissions from landfill sites, the establishment of separate bins for recyclable material and so on.

Lagos now has two TLS plants. The first was at Simpson and recently another was opened in Oshodi. These plants also include a hydroclave medical treatment plant. Each TLS has an installed capacity of 1,000

metric tonnes, and accommodates refuse collected during the day from the local council areas from where they are converted to small volumes and moved with vehicles at night to landfill. Modern low emission vehicles have been acquired for this task.

The aim is to have 20 such plants over the next 10 years. To achieve this LAWMA is seeking to involve private sector investment through PPPs.

The first Landfill Gas Recovery and Utilisation project at Olu sosun landfill site is currently at the pre-engineering design stage. Olu sosun used to be one of the major sources of environmental pollution and a major health hazard in Lagos. Large parts of the site have now been grassed over and a PPP is underway to capture the underground gas generated by the waste and use it to generate electricity. The project is being executed by LAWMA in association with the United Nations Environment Programme and the African Carbon Asset Development. The project is seen as a contribution to reducing Lagos' carbon footprint and therefore fulfilling Nigeria's commitment to combatting climate change.

5.3.3 Prospects

Opportunities exist for further private sector engagement in this area. The State has made considerable strides in modernising solid waste management and privatised some of the services. Further efforts to expand re-cycling by converting waste into products like fertilizers and methane gas can attract the private sector through PPP arrangements. Similarly the private sector can find opportunities in developing the additional 14 transfer loading stations identified so far as being required by the state. Motorising street cleaning may also offer investment opportunities although the current manual labour operations provides valuable employment to many women.

5.3.4 Summary of Issues

- *Maintaining the high political priority accorded to creating a modern, efficient waste management system in Lagos.*
- *Attracting private sector partners to fulfil ambitious plans to establish 20 TLS by 2022*
- *Extending the street cleaning beyond the main highways into all suburbs, especially the poorer areas.*
- *Encouraging behaviour change that will reduce informal rubbish tipping and take pride in maintaining clean local neighbourhoods.*
- *Developing public awareness of the benefits of recycling waste*

5.4 Sanitation

The responsibility for supplying clean potable water lies with the Lagos State Water Corporation (LAWC) which operates independently as a parastatal but within the general purview of the Ministry of Environment. In 2010 they also took over responsibility for sanitation from the sewerage section of the Ministry of the Environment, creating a new branch called the Lagos State Wastewater Management Office (LSWMO). In early 2012 the LAWC issued a draft Water and Sanitation Policy for consultation. A central feature of this policy document is designed to encourage a PPP approach to developing new infrastructure.

5.4.1 Current Sanitation Arrangements

Recent Household Survey results indicated that 52% of the respondents claimed they use flush to septic tank, while 26% said they use flush/pour to pit. The analysis further showed that 15%, 3% and 3% use covered pit latrine, uncovered pit latrine and bush/field respectively. Further analysis also showed that across the local government level in the State, "flush to septic tank" toilet facility is prevalent in Lagos Island as indicated by over 70% of the sampled households followed by Eti-Osa with 65% of the respondents attesting to its usage. Flush to septic tank toilet facility is also commonly used in Surulere (64%). Surprisingly, according to Lagos State Bureau of Statistics bush/ field toilets are still being used by a few households across some of the local governments in the State. However, this approach, where it does occur takes place in some of the rural areas of the State, which lack full pit latrine coverage. In Ojo local government, 18% of the sampled households disclosed the use of bush/ field toilet facility, 17% in Badagry and 10% each in both Ibeju-Lekki and Lagos Mainland.

The current sanitation arrangements in Lagos have been a cause for concern for some time. There are five Lagos State Government-owned Waste Water Treatment Plants (WWTPs). These are shown in the table below with their current status.

Table 12: Summary of Existing Waste Water Treatment Plants owned by Lagos State

S/N	LOCATION OF SEWAGE TREATMENT PLANT/YEAR OF CONSTRUCTION	DESIGNED PLANT CAPACITY	UPGRADED PLANT CAPACITY	PRESENT STATUS
1.	ABESAN (1985)	50,000	250,000	Recently modified, upgraded and now operational
2.	OKE-AFA (1985)	40,000	150,000	Modification and upgrade in progress
3.	IPONRI (1983)	10,000	20,000	Modified and upgraded, still under test running
4.	ALAUZA (1982)	10,000	15,000	Recently expanded and now fully operational
5.	AMUWO-ODOFIN (1982)	30,000	30,000	To be relocated due to Lagos - Badagry Expressway expansion

There are also two Federal Government-owned WWTPs at Festac and Eric Moore, both of which are non-functional. Finally there are a number of small privately owned WWTPs scattered across the state with a total capacity of about 200,000 people. The total functional waste water infrastructure has increased from a meagre 0.04% to 6% due to the recent upgrades of existing Lagos State owned WWTPs. This leaves 94% reliant on septic tanks and other disposal methods. Given that 80% of water consumed ends up as waste water, estimated to be 1.4 billion litres of waste water per day, this poses a considerable issue.

5.4.2 Current Initiatives

Under the World Bank funded Second National Urban Water Sector Reform Project the three existing treatment plants located at Oke-Afa, Abesan, and Iponri are undergoing rehabilitation and modification to improve on their capacity and the treatment plant at Alausa has been rehabilitated and upgraded to meet current water generation. The existing plants had a designed capacity for about 140,000 persons but the upgrading will serve a population of 500,000 people.

But much more needs to be done and since its formation the LSWMO has adopted a Sustainable Sewage Sanitation Strategy Policy and State Action Plan for the implementation of Sustainable Sewage Sanitation Strategy (SSSS) with the time lines by the State Executive Council. The evidence of these concerted efforts in infrastructure provisions across the 57 local governments over the next five years will include construction of 10 new wastewater treatment plants (WWTP) across the state; completing the upgrade of three existing WWTPs and the laying of a total of 5,250 kilometres of sewers. Funding for the project will be sourced through a mixture of budgetary provision and private sector partnership. Lagos State will also need about 60,000 sewage trucks to ply the road six times every day just to transport the sewage to a treatment plant. It has been estimated that the sewage needs of the state will cost over 2 billion US dollars in the next 5 years.

The new SSSS envisages the state government will develop appropriate legal framework for sustainable wastewater management. This includes laws on wastewater management charges for all categories of wastewater generators in the state. It is hoped this will encourage private sector investment into future infrastructure in this area. It is hoped that the private sector in partnership with the government will ensure that the target of two wastewater treatment plants per year in every local government area for the next five years is achieved. Through friendly wastewater management policies, public education, enlightenment, awareness and promotion of voluntary compliance by the public are to be encouraged. The strategy also aims to conduct research and studies for the development and implementation of environmentally friendly technologies for wastewater management with emphasis on recovery and re-use.

5.4.3 Prospects

The considerable cost of establishing a modern, effective and safe sanitation system will require major private sector engagement. Seventeen (17) sewage grid catchment areas are available for concession arrangements, with a pilot scheme about to be agreed with a private partner. Much more of this type of initiative will be required in order to realise the vision of a model mega city by 2025.

5.4.4 Summary of Issues

- *The majority of dwellings do not have proper sanitation. Those that do have sanitation rely on septic tanks, which carry the risk of water pollution.*
- *The first requirement is to establish a long-term Sanitation Master Plan that can map out long-term solutions and present a costed and time scaled programme for investment.*
- *Modern water and sanitation systems are vital to ensure public health as well as to attract inward investment and create jobs.*
- *Continuation of septic tanks in low lying areas risks major pollution of groundwater and is not cost effective in large scale urban situations.*

5.5 Pollution Control

5.5.1 Sources of Pollution

In urban centres generally, human-generated air pollution sources can be divided into mobile and stationary sources. While the former includes automobiles, buses, trains, airplanes and other powered modes of transportation sources, the latter have to do with factories, incinerators, and other kinds of non-mobile sources.

The principal cause of air pollution in Lagos, as in most major cities, is the large number of vehicles on the roads. With approximately a million cars on the road each day and 40% of Nigeria's total fuel use by the city's residents, Lagos injects about three tonnes of lead into the air daily. The situation is made worse by the use of two-stroke engine motor-cycles for public transport throughout the city. The relatively high numbers of old and poorly maintained vehicles also contribute to air pollution.

Stationary sources include the power stations and industrial concerns. Another factor is the large number of generators in Lagos, used because of the inadequacies of the electric supply system. These generators use diesel fuel and emit exhaust fumes. In addition they are a major contributor to noise pollution.

5.5.2 Controlling Pollution

Pollution control is the responsibility of the Lagos State Environmental Protection Agency (LASEPA). As a regulatory agency it is statutorily responsible for the implementation, regulation and enforcement of

environmental laws, standards and policies as provided by the state Ministry of the Environment.

LASEPA and the Lagos Metropolitan Area Transport Authority (LAMATA) have initiated moves to mitigate the various environmental threats, including climate change and its resultant health hazards with draft legislation on ambient and quality control, especially vehicular emissions. According to the Lagos Air Quality Monitoring Study (2007-2009), vehicles contribute approximately 43 per cent of ambient air pollution in Lagos. The adverse effects of air pollution often fall disproportionately on the urban poor, with attendant health risks and hazards compounding the impact of other environmental problems such as lack of clean water and sanitation.

LASEPA has reiterated the state's commitment towards developing pilot projects related to biomass energy to reduce Greenhouse Gas emissions, with a key focus on sawdust utilisation. The state has also started to measure the carbon footprints of industries, commercial centres and government establishments to help in planning against possible environmental mishaps. One of the new projects concerns the Okobaba Sawdust Plant where it is intended to halt the current practice where biomass residues are burnt at the site or dumped in the lagoon with significant negative impacts on the local communities as well as contributing to climate change.

5.5.3 Prospects

There are no major capital cost implications in this section. But, the key requirement will be a an approach that encourages moves away from polluting practices through promotion and awareness raising to strong enforcement of existing regulations.

5.5.4 Summary of Issues

- *Whilst it is a necessary step to introduce appropriate legislation and regulation to restrict pollution to acceptable and internationally recognised levels the key task is to establish effective enforcement.*
- *Efforts to create mass transit systems are welcomed from a pollution standpoint as they can drastically change the numbers of vehicles on the roads and adopt less polluting types of transport. But, they involve major capital outlays and so ways must be found to bring the private sector into*

- partnership with the State so as to facilitate appropriate investment.*
- *The existing transport modes have built up powerful interest lobbies. Any challenge to their dominance needs to be handled sensitively and ways found to ensure they do not suffer serious hardship when new transit systems are commenced.*

5.6 The Built Environment

5.6.1 Slum Housing

Against the background of swampy and poorly drained soil, coupled with an average population growth rate of 6-8% p.a. in the past and 3.2% currently estimated, Lagos has witnessed the rapid deterioration of many neighbourhoods, resulting in the proliferation of slums. A UNDP study as far back as 1983 identified blighted areas as covering about 1,622 hectares in metropolitan Lagos with a population density averaging 790 to 1,240 per hectare. The situation is much worse now, although we have no up-to-date statistics. A socio-economic assessment of 1,164 households in 42 poor urban blighted areas in 2002 revealed the following:

- 57% of households experience flooding during the rains
- 32% of households experience flooding inside their houses
- average dwelling size was one room apartment of face-to-face
- 65% of residents are tenants
- 82% share bathroom facilities
- 65% of households depend on water vendors
- 68% of households depend on truck pushers for waste disposal
- only 7% have access to WC septic tanks

In the light of this, the World Bank, through the Lagos Metropolitan Development and Governance Project (LMDGP) are investing \$40.9 million in the direct upgrading of nine selected slum neighbourhoods: (Agege, Ajegunle, Amukoko, Badia, Bariga, Ijeshatedo/Itire, Ilaje, Iwaya and Makoko).

Whilst there are no up-to-date figures for describing the current situation of slum housing it is unlikely to have improved in overall terms. Whilst improvements have been made to some areas as more and more people crowd into existing neighbourhoods problems of overcrowding and inadequate basic facilities increases. Some estimates suggest the 75% of Lagos' population live in sub-standard housing areas. Given the overall

population of the State as approximately 20 million this means that 15 million inhabitants may have to experience poor conditions.

5.6.2 Master Plans

The rapid growth of Lagos has left past Physical Plans often out-of-date and requiring renewal. The last long term Regional Plan for Lagos, completed in 1980 ran until 2000. Many new areas have expanded since then without plans and the capacity of the Ministry of Physical Planning and Urban Development has been inadequate to meet the task. However, progress has been made in recent years by, among other things, contracting consultants to prepare some Master Plans. The following Master Plans have been or are currently being produced:

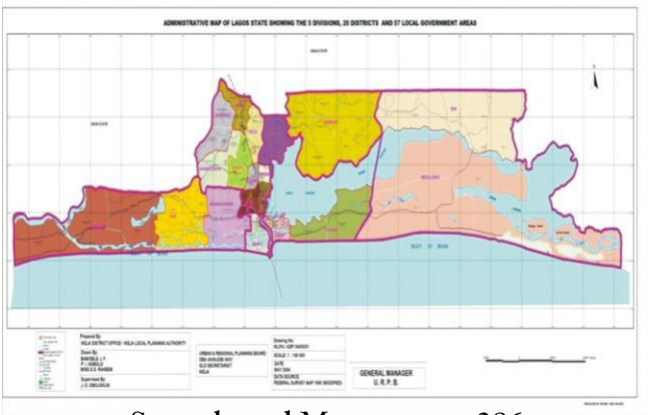
Table 13: List of Master Plans

Area	Status
Lekki	Completed and in use
Lekki Free Trade Zone	Completed and in use
Badagry	Ongoing -Draft prepared
Ikoyi/ Victoria Island	Completed and in use
Ikeja	Completed and in use
Alimosho	Completed and in use
Lagos Mainland	Ongoing
Apapa	Ongoing
Mainland	Ongoing
Agege/ Ifako	Ongoing

Source: The Ministry of Physical Planning and Urban Development, Lagos.

This is also illustrated in the following map showing the different Master Plan areas:

Fig. 7: Master Plan Areas in Lagos



See enlarged Map on page 286

Each of these Master Plans, as well as setting out a rational land use and improved transportation system identify a number of important investment opportunities, some for the private sector, others for the Government and some as potential PPP projects. Some of the most significant are as follows:

- In Lekki a new international airport, a new port and many other commercial opportunities
- In Badagry there are many potential tourist projects such as Marina's and resorts, as well as a Film City, irrigated farming projects and many commercial and industrial projects that will open up on completion of the Badagry Expressway.
- Victoria Island: Eko Atlantic City is a major multi-faceted development with many aspects.
- Additional mainland bridges will also be major investment projects and open up new development opportunities.

5.6.3 Neighbourhood Plans

Model City Plans for all districts of Lagos are an urgent need so that a more rational and improved environment can be gradually created with community participation. Given the extent of the problem ways should be explored to empower communities to manage and improve their neighbourhoods, providing advice and seed funds to plan and improve the settlements. There is an important role for the LGAs/LDCs in this regard.

5.6.4 Summary of Issues

- *Massive Slum upgrading is required to improve basic facilities such as water supplies, sanitation and rubbish removal.*
- *Lagos urgently needs a new Regional Master Plan covering the whole of the State to guide the next phases of development and establish some priorities for neighbourhood planning.*
- *Ways need to be devised to increase the pace of completing the current Master Plans that are on-going.*
- *Model City Plans for all districts of Lagos are an urgent need so that a more rational and improved environment can be gradually imposed with community participation.*
- *Given the extent of the problem ways should be explored to empower communities to manage and improve their neighbourhoods, providing advice and small amounts of money. There is an important role for the LGAs/LDCs in this regard.*

5.7 Environmental Management and Climate Change

5.7.1 Environmental Management

The key agency charged with environmental management is the Lagos

State Environmental Protection Agency (LASEPA). As mentioned above it is also the agency responsible for pollution control. Among its many tasks are the preparing of a periodic master plan to enhance capacity building of the Agency and for the environment and natural resources management; carry out public enlightenment and educate the general public on sound methods of environmental sanitation and management; monitor and control all forms of environmental degradation from agricultural, industrial and government operations; setting, monitoring and enforcing standards and guidelines on Industrial Effluent, Air Emissions (Vehicular & Stationary); surveying and monitoring surface, underground and potable water, air, land and soil environment in the State to determine pollution level in them and collect baseline data; and promoting co-operation in environmental science and technologies with similar bodies in other contrives and international bodies connected with the protection of environment.

5.7.2 Climate Change

Lagos State may be affected by Climate Change in two possible ways. Weather patterns are changing and some regions, such as West Africa, may already be experiencing increased rainfall at times and more extreme weather events. This can create more storms. As a coastal state Lagos is prone to sea storms and as a low lying state Lagos is also prone to repeated flooding. These are matters of considerable concern and Lagos State has put in place a number of measures designed to improve flood defences and increase public awareness of the issue. In addition, a global impact of climate change has been forecast, unless carbon emissions are checked, which would see further significant rises in world temperatures with a consequent loss of ice in the Arctic and Antarctic leading to a rise in sea levels. This would clearly be disastrous to many seaside cities like Lagos. Lagos, therefore, has a vested interest in promoting action to combat climate change.

In recognition of these threats Lagos has hosted an annual Climate Change Summit since 2008. The intention is to provide a national focus on key climate change issues and to seek to influence policy change. In addition, the Ministry of Information and Strategy has led mass awareness campaigns on appropriate behaviour to mitigate the impacts of climate change. This has also involved a targeting of schools as centres for

climate change adaptation. UNICEF has assisted in this aspect of the work on climate change. At the first Lagos State Summit on Climate Change it was recommended that the State develop a State Action Plan on Climate Change. A clear policy framework on climate change in Lagos is still outstanding.

5.7.3 Summary of Issues

- Mitigation of Green House Gas (GHG) emissions is necessary. A major share of emissions come from vehicles and is worsened by the road traffic situation.
- Developing mass public transport systems, such as the Bus Mass Transit scheme can help reduce vehicular emissions.
- Energy efficiency is one focus of the Lagos Government with a ministry dedicated to it and shifts in power generation options for selected projects. This needs energetic promotion.
- There are many options towards alternative power generation for Lagos including: landfill gas for electricity generation; solar power as a standby power source for selected locations in the state; biofuels; and wave energy development
- Coastal protection and flood control is a major issue requiring constant review and action.
- There is a need to hasten the production of a Lagos Climate Change Action Plan.



PART 2

LAGOS TOMORROW

Chapter 6

Development Strategy: from Vision to Policy

6.1 Strategy Framework

Part 1 presented a situation analysis of Lagos Today by four strategic areas of activities divided into appropriate sectors. The key issues and challenges were noted and these are addressed in Part 2 that sets out a path to Lagos Tomorrow. Such a journey needs a guiding framework that will attempt to take all the various aspects of development in Lagos forward to a desired vision of the future. This framework can be described in the following diagram:

Fig.8: Strategy Framework of the LSD



6.2 The Vision for Lagos

Lagos has for some time now been classified as a Mega City by virtue of its size. At the same time it has been seen as a failed city because of the extreme levels of poverty, inadequate infrastructure, weak social services and a polluted and dangerous environment. The vision that unites all Lagosians is to establish Lagos as a Model Mega City that has eradicated all the negative points referred to above and unleashed the creative and dynamic potential of the city to the benefit not just of Lagos but for the good of the Nation and West Africa as a region. This Vision will probably take longer than 15 years but it is a clear guide to all future developmental programmes of where eventually Lagos should be. We can express this vision in the following Statement:

Vision Statement

Africa's Model Mega City and Global, Economic and Financial Hub that is Safe, Secure, Functional. and Productive

To be achieved by:

Poverty Eradication and Sustainable Economic Growth through Infrastructural Renewal and Development

6.2.1 Key Aims to achieve the Vision

For this Vision to become reality the State will seek to realise the following key aims:

- Reduce Poverty—*vital for human well-being and economic growth*
- Increase Private Sector Investment—*critical for job and wealth creation*
- Increase Tax Revenues—*critical for continued public investment*
- Lessen Traffic Congestion – *a key economic need and social desire*
- Improve Power Supply—*key to economic growth and human well-being*
- Improve Water and Sanitation—*key to health, industry and investment*

- Improve Environmental Protection—*important for health, safety, image and therefore investment*
- Improve Educational Attainment—*critical for future skill levels for job creation and governance*
- Improve Individual Health—*critical for well-being and productive workforce*
- Improve Housing and the Built Environment—*critical for health and enterprise*
- Improve Civil Protection—*ensuring safety for all citizens*
- Improve Governance—*vital for ensuring greater citizen participation in development, for improved efficiency, accountability and international support and reduction of crime and corruption*

6.3 Strategic Direction

6.3.1 The Plan Rationale

The strategic direction provides the overarching rationale that frames the LSDP. This in turn establishes the context for all four developmental pillars and enables the relationships between the pillars to be appreciated. Figure 9 below is a pictorial way of showing the way the Strategic Directions of the Plan are exemplified in the various aims described above and how they inter-relate to achieve the Vision.

The logic of this strategic direction is based upon the understanding that the pivotal developmental requirement for Lagos is the creation of a dynamic economy that can provide jobs and wealth to enable the State to realise all its other obligations and aims. Job creation is the key to future prosperity, not just so as to uplift the many millions of Lagos citizens currently suffering from poverty but also as a means of increasing tax revenues and providing an income for Lagos State to undertake all the non-wealth creating tasks it is required to do.

6.3.2 The role of the State Government and its relationship to other Sectors

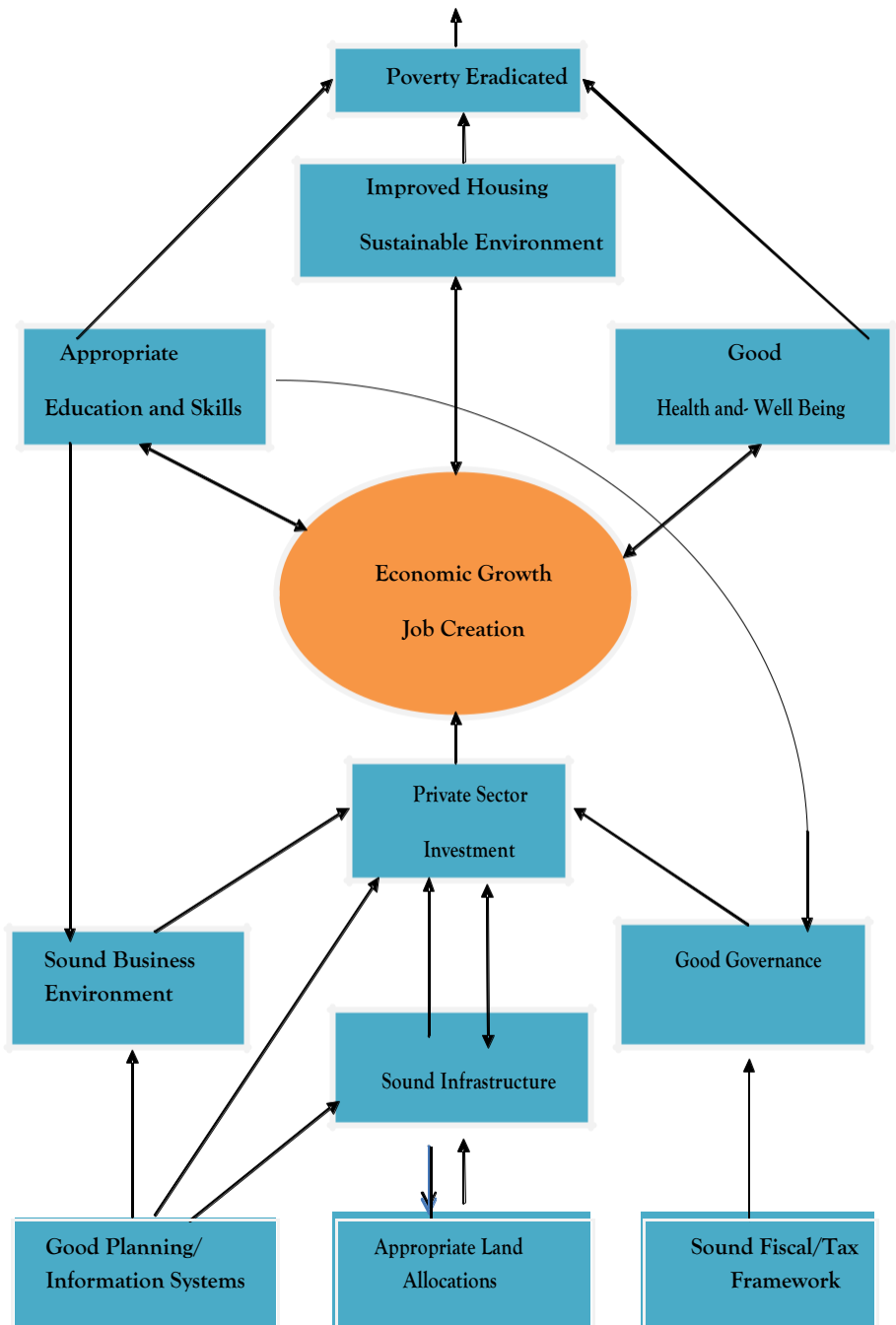
The key driver in all matters of the development of the State is the Lagos State Government. The State provides the overarching planning, management and direction for development. It is also the major implementer of most of the services and undertakes numerous capital works and maintains and operates social, economic and environmental infrastructure. The LASG is also the only representative route to all the sectors and all the people of the State. It is therefore accountable to the

people and the different sectors for the role it plays and the way it manages the development process. But the LASG cannot do this alone and relies on powerful partners in development at all levels. These partners include the general public at the base and above that the various representative organs and bodies of the private, labour, civic and local government sectors.

The key to creating a dynamic economy lies primarily in Private Sector investment, both from outside the State and country and from within the State. In order to facilitate such inward investment Lagos State will continue its efforts to create an environment that is conducive to such Investment. In this regard it will maintain and accelerate steps to achieve Good Governance and Improved Infrastructure. Major advances have been made in these areas but this strategic direction is predicated upon going much further in the plan period. By the same token, more needs to be done to create a Good Business Environment by continuing the drive to make it easy to do business in Lagos: further reducing burdensome regulations, simplifying tax regimes and providing incentives. Planning systems require improvement so that future investors have clarity about the future physical arrangements of the city and can see improvements in commercial, business and industrial centres. Land is a key factor of production and allocating sufficient land for economic activities that is easy to acquire or lease without excessive delays and difficult regulations is very important.

Many of the features in the Strategic Direction operate as a two way process. A healthy, well educated population not only improves individual well-being but it also provides an improved, more adaptable workforce and this in turn is attractive to private investors. Building improved neighbourhoods and new infrastructure creates jobs and building the economy can provide the means to improve environments and communications. How this Framework can be implemented is best seen through four developmental pillars as discussed below.

Fig. 9: Relationship between Aims and Vision of the Plan



6.4 Developmental Pillars

The way the various elements of the Strategic Framework are arranged in this Plan is through the four Developmental Pillars. This is a convenient way of bringing together allied programmes and ensuring in the process that appropriate linkages are made. The table below provides a broad aim and a broad strategic direction for each Development Pillar.

Table 14: Development Pillars: Aims and Direction

DEVELOPMENTAL PILLARS	STRATEGIC DIRECTION
Pillar 1: Economic Development Aim: A dynamic, expanding economy, functional and visually attractive	Harnessing public and private investment to create a strong, mixed economy that can provide jobs for all and create the base for expanding social services and environmental sustainability
Pillar 2: Infrastructure Development Aim: An efficient and effective infrastructure capable of meeting future needs	Providing efficient power, effective mass transit systems and other key infrastructures essential to achieve a sound and growing economy and achieve social progress
Pillar 3: Social Development and Security Aim: An educated, skilled, healthy and secure people	Ensuring a dynamic, progressive social and economic environment that will result in a well- educated, healthy people able to fulfill their potential and meet the skill needs of new industries.
Pillar 4: Sustainable Environment Aim: A green, clean and liveable city that can sustain its complex natural and man-made environment	Creating sound systems, regulations and public participation to maintain a healthy and sustainable environment that can overcome the environmental deficit and meet future challenges posed by climate change.

6.5 Linking the LSDP to the role of MDAs

The LSDP sets the long-term strategic perspective for the more detailed planning undertaken by the 25 MDAs that make up the main implementation agencies of the State. Individual MDAs will need to harmonise their longer term Sector and Master Plans with the broad parameters of the LSDP and then reflect the aims and direction of the Developmental Pillars in their medium-term and annual budgets. The Medium Term Sector Strategies (MTSS) which have been strongly aligned to the Transformation process and the Strategic Management Framework (SMF) will also need to take reflect the strategic approach of the LSDP, which is itself closely aligned and congruent with the SMF. Service Charters and the Corporate Planning process, which involves

formulating short, medium and long-term goals so that strategic planning of the MDAs is focussed on the implementation of effective service delivery, will also need to harmonise their performance targets with those of the SMF.

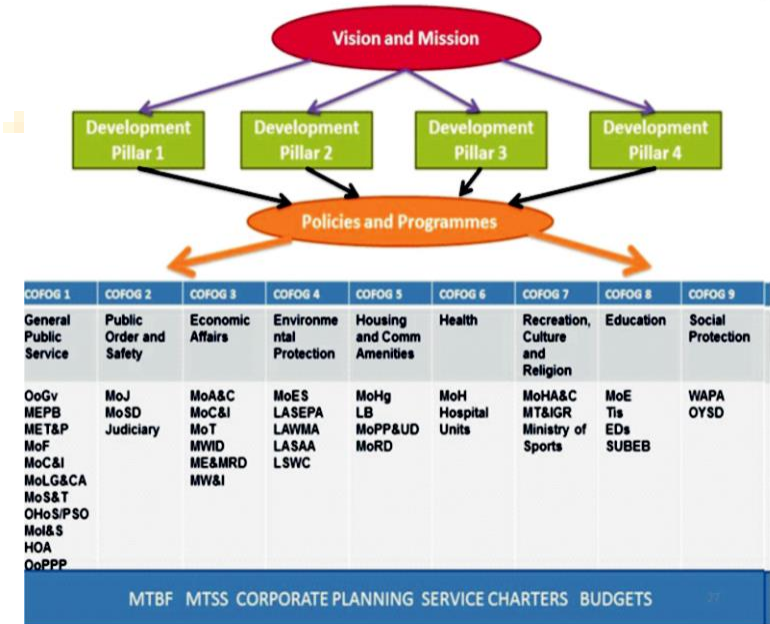
The four Developmental Pillars have been chosen to reflect the reality of development and the need to achieve synergy and appropriate linkages between every aspect of pillar development. This means that some MDAs will relate to more than one development pillar. Housing Construction, for example, is a key economic activity, potentially employing many thousands but it is also an important social and environmental need.

The diagram below seeks to represent the way the LSDP moves from the Vision at the apex, reflected in more detail through the policies and strategies of each development pillar, which in turn will be translated into more detailed policies and programmes of the different MDAs.

The MDAs have been grouped into nine (9) clusters under the Classification of Functions of Government (COFOG) largely for budgetary purposes and this too will need to take account and be aligned with the LSDP.

The way these various elements can be broadly reconciled is shown in the diagram below:

Fig. 10: Relating the LSDP to MDA Planning



6.6 Implementation of the LSDP

Issues of the Implementation of the LSDP covering such matters as Finance, Governance and Capacity Building, Cross-cutting issues, Monitoring and Review are covered in Part 3. Suffice it to say here that these are critical aspects of the Strategic Framework, as shown in Fig. 8 above and set out the challenges and constraints that will confront the Plan, in particular the fiscal constraints and capacity issues. Governance will identify the important elements of a government system that through efficiency, value for money, accountability and adherence to good practice can ensure the effective implementation of the Plan. The Performance of the Plan and any necessary adjustments in the light of that performance or new circumstances that warrant a change of direction will be made possible by ensuring that there is an appropriate monitoring and evaluation system in place with participative review points.

Part 3 also provides the framework for developing the Implementation Programme of the LSDP, which includes a Results Framework of Outputs, Key Performance Indicators and Targets, which will be a tool for the State to realise its Vision and Goals.

Gender and Social Inclusion are cross cutting issues, which are addressed as appropriate in all four pillars. The Social Development and Security Pillar has a special role as many of the key programmes associated with gender, the disabled and vulnerable groups as well as HIV/AIDS are within this pillar. But it is the responsibility of all MDAs to ensure that cross cutting issues are given prominence.

The remainder of this Part of the Plan looks at each Developmental Pillar in turn, setting out key Policies to achieve the Strategic Direction.

Chapter 7

Economic Development Pillar

Aim: A dynamic, expanding economy

Strategic Direction: Harnessing public and private investment to create a strong, mixed sector economy that can provide jobs for all and create the base for expanding social services and environmental sustainability.

7.1 Pillar Dimension

The economy of Lagos State has many strong features, especially when compared to the rest of Nigeria. It is clearly the main economic hub of the country and the wider region. Yet, despite this, it displays many weaknesses and is not yet able to provide the basis for fulfilling the Plan Vision. This weakness is demonstrated in the fact that around 60% of the population live at or below the poverty line and only 31% are formally employed. It is, therefore, vital we find ways of creating new jobs. This requires investment, both capital and human, on a considerable scale.

7.1.1 Economic Growth

In overall economic terms the Lagos State economy has grown at rates that have failed to keep pace with the rapid growth in population and high inflation. The long term aim of the general economic strategy in Lagos State is to accelerate annual GDP growth rates in real terms by enhancing business environment, reducing inflation and seeking to slow

population growth. The current Medium-Term Budget Framework (MTBF) 2011-2013 is based upon raising GDP growth to 8% and reducing inflation rates to 7.5% by 2013. Much more needs to be done to accelerate this projection in the future if poverty is to be reduced and public investment increased. The gap between real GDP growth and inflation, currently close to parity, needs to be widened so that development can have a real impact. Lagos can do little to affect the inflation rate, which is strongly influenced by national and international factors such as the price of oil. GDP growth on the other hand can be influenced by the State through encouraging increased investment in economic activities. This investment can come from within the Lagos economy, from the wider Nigerian capital market, from the African continent and internationally beyond Africa. The LASG recognises that there are a number of obstacles that face potential investors in Lagos: the poor quality and unreliability of infrastructure; the overly bureaucratic and time consuming business regulatory environment; the lack of appropriate skills in the labour force; the lack of suitable and serviced land; the lack of information about the major reforms being enacted in Lagos and the promotion of the positive prospects for investing in the State. Whilst some of these obstacles stem from Federal laws and regulations others lie within the influence and remit of the LASG, which has been vigorously addressing many of these issues for some years. The LSDP builds on that progress and seeks to take it forward to a new level.

7.1.2 Overall Pillar Outcomes

The following outcomes form the basis for broad economic targets for this Pillar:

- A GDP p.a. growth that exceeds the rate of inflation and the rate of population growth, building from the current rates of over 7% to at least 10% p.a. by 2020.
- **The Manufacturing Sector operating at approximately 40% of Lagos GDP by 2020**
- **Formal, paid employment to account for 60% of the labour force by 2020**

7.1.3 Strategies for Growth

Achieving these key outcomes is based upon pursuing several cross-cutting themes that can help to drive the economy to modernise, re-structure and attract investment as well as identifying and targeting a number of Growth Sectors. The selected growth sectors are Manufacturing, Agriculture, Tourism and Housing and Construction.

They are selected for their potential to create jobs, add value and attract development partners. During the life of the LSDP such priorities may change but these sectors currently offer some powerful comparative advantages. Currently two of these sectors, Agriculture and Housing, together with two crucial enabling infrastructure sectors, Power and Transport are highlighted under an acronym PATH (Power, Agriculture, Transport and Housing). Other important sectors include Commerce, (including retail, wholesale and trade), Distribution (including Transport) and Finance where long-term policies and strategies will strengthen and maintain their position within the Lagos economy, and these are also highlighted below. Oil and Gas production may also feature in the longer-term.

The Informal Sector will continue to play a major role for many within the economy and efforts will be made to help that sector become more efficient, enterprising and a route to improved livelihoods.

7.2 Providing the Context for Growth

Six Economic Strategies are set out below that are intended to ensure that Lagos has one of the best economic environments of anywhere in Africa. These are intended to drive the long-term economic strategy of the State so as to achieve the Strategic Aim and Direction. They are seen to underlie all the more specific activities and programmes that attach to specific sectors. Their achievement will require a planned and coordinated drive across many MDAs and partners outside the State machinery. Whilst the Ehingbeti Summit provides a model of inter-sector cooperation in addressing the big issues and long term visions of Lagos the case for establishing a more regular Economic Council of all sectors to review progress and address obstacles to achieving these six strategies will be considered.

7.2.1 Creating a Positive Environment for Business.

The State will establish an environment that is conducive to expanding industry and business and encourages entrepreneurship.

Policy Objectives/Outcomes

- A streamlined and fair Regulatory Framework
- A simple Tax Regime that does not over burden Business but also ensures they pay their fair share

- A good State Information System for existing and potential business with good signposting arrangements.
- State incentives and tax breaks to encourage inward investment
- The creation of special Enterprise Zones and Free Trade Zones where relaxed tax and regulatory arrangements will attract major new investment and create jobs
- Improving the ease of setting up new businesses in Lagos

7.2.2 Developing Labour Skills.

The workforce of Lagos could be one of its greatest assets. But it needs to have the right skills profiles that will attract potential investors and allow existing businesses to expand easily. Whilst the State will continue the foundation of good primary and secondary education that is vital to that task there is an additional need to provide training for school leavers who are not going on to higher education to develop vocational skills. Whilst this can be provided by the private sector with apprenticeships, on-the-job training, release for training courses, the public sector will support poorer students and weaker companies to secure the desired outcomes.

Policy Objectives/Outcomes

- To ensure the availability of training courses which meet the needs of the identified growth sectors
- Establish training to develop cross-skill capabilities
- Develop links between education, industry and training providers
- Ensure appropriate training to facilitate modern technology
- Provide for training in business development and enterprise skills
- Ensure continuing staff professional development

7.2.3 Provision of a Planned Physical Environment

Physical Master Plans for all sectors of the State, similar to that prepared for the Alimosho area, are required to establish not just a good, well organised environment but also so that sufficient land can be allocated to meet the needs of the economy. Areas need to be set aside for future commerce, light industry, small and informal enterprises as well as some areas for heavy industry. Basic services need to be available to these sites to attract new investors. Infrastructure provision is so critical, not only for economic growth but also for health, safety and general well-being, that it is dealt with as separate Pillar. But it is important to highlight it here as part of the general Physical Strategy for Economic Growth.

Policy Objectives/Outcomes

- To establish up to date Physical Master Plans for all parts of Lagos State that provide for appropriate land allocations, good communications and infrastructure and general amenities for the inhabitants.
- To ensure the provision of sufficient and appropriate industrial and commercial building land, premises and infrastructure to meet economic needs
- To ensure that regulations for the acquisition or leasing of land for economic purposes are simple and well publicised.
- To ensure that power, water, roads and other vital infrastructure for commercial and business activities are available and able to meet current and future needs.

7.2.4 Developing Partnerships for Economic Growth

The State will continue to operate in partnership with all sectors as well as the general public. In terms of the Economy there are two important partners: the Private Sector companies and corporations, which undertake or plan to undertake economic activities in the State and the Labour Organisations, such as trades unions, who represent the workers in these enterprises and seek to defend their interests in terms of pay and conditions, including health and safety. Co-operation and partnership can take many forms and this strategy is designed to ensure that such arrangements benefit economic growth. The creation of a separate State office to foster PPPs is an indication of how seriously Lagos State takes its partnership with the private sector. The Office for Public-Private Partnerships seeks to operate in line with global best practices, focus on transparency, accountability, due-process, mutually beneficial relationships, rule of law and an equitable legal framework. This approach will ensure that proper governance standards are in place. The various Lagos PPP models employed in the State include: equity participation for joint ventures; leasing options; franchising; concessions; and variants of the build-operate-transfer (BOT) methodology. Already, a number of real estate, transport and power generation concessions have been awarded over the years, and new toll road projects are expected to follow the Design-Build-Finance-Operate-Transfer (DBFOT) model that was adopted for the Lekki toll road. Co-operation with labour organisations should not be neglected as their role in economic development can be vital in terms of achieving a productive and supportive workforce.

Policy Objectives/Outcomes

- To engage all economic sectors in promoting and supporting economic growth and development
- To maintain the policy of encouraging Private Sector Investment in Infrastructure and appropriate public services through PPPs, incentives and leverage mechanisms.
- To seek to obtain the best conditions for workers in the Lagos economy, especially in terms of health and safety and good livelihoods, through partnerships and co-operation with labour organisations.

7.2.5 Promoting Enterprise and Technology

There is a need to foster a culture of enterprise in Lagos that will permeate all levels of society. One strand of that effort is to create an environment in which enterprise and innovation are supported and welcomed. New technology is vital to the future of Lagos as it seeks to position itself as one of the world leaders in economic growth.

Policy Objectives/Outcomes

- To encourage the adoption of new technology and technology transfer, especially in the identified growth sectors.
- Promote linkages between Higher Education and Industry and Commerce so as to ensure the adoption of the latest technology.
- To work in partnership with the Private Sector to ensure that appropriate infrastructure is in place for the widespread adoption in Lagos of the latest Telecommunications systems, including fast speed broadband.
- Assist in the development of enterprise skills, especially in the SME and Informal sectors.
- Provide marketing advice and information services for the development of new enterprises.

7.2.6 Promoting Lagos.

Attracting new investment to Lagos is of paramount importance and to do this Lagos will be competing with many other locations around the world. Perceptions of place by investment managers often play a critical early role in ruling in or ruling out certain options. Lagos has not enjoyed a good press in the past and there are many negative images of Nigeria often associated with corruption, violence and poor quality

environments. Lagos State will continue to address these issues, promote the benefits of investing in Lagos and seek to re-shape popular perceptions of Lagos State.

Policy Objectives/Outcomes

- To operate a continuous promotion of Lagos as a prime investment location through all forms of media.
- To produce informational material to potential investors that is clear and sets out the clear advantages of coming to Lagos.
- To have a suitable office on Lagos dedicated to promoting the State and receiving potential investors.

7.3 Growth Sectors

Whilst all economic activity will add some value and create some jobs the State will highlight the potential for some sectors that offer particular potential to Lagos. The following sectors are seen to offer the best opportunities for establishing a dynamic State economy:

- Manufacturing
- Housing and Construction
- Tourism
- Agriculture (including Fishing)
- Small and Medium Business and Informal Enterprises

These are considered in turn, looking at key policy areas that can be deployed to encourage these growth sectors. A more detailed approach for each sector will be required at a MTSS level.

7.4 Manufacturing

Manufacturing industry can provide major benefits to the Lagos economy. It is often a major employer of labour with good benefits to the workforce. It also adds considerable GDP value.

It further provides many downstream opportunities, especially to the SME sector in servicing such industry and providing component parts. It can be polluting so it is necessary to ensure that the sector complies with control measures and is based upon sustainable environmental principles. The growth potential of Manufacturing Industry in Lagos lies in the access for trade and export from the large ports and airport

facilities, the presence of a large local market for goods, a pool of potential labour, access to relatively cheap raw materials, especially in agricultural products and an existing manufacturing sector that can offer linkages and synergies to new entrants.

7.4.1 Policy Objectives/Outcomes

- An business environment which promotes manufacturing activities
- A stronger manufacturing sector within the state
- Efficient and well organised international and local trade within the state.
- Industrial harmony between all stakeholders

7.4.2 Policy Targets

- Contribution of the manufacturing sector to the GDP to increase to about 40%
- Expenditure on Research and Development in industry to increase by 10% p.a.
- 20 new specialist industrial parks created
- Number of days required to start up a new manufacturing business cut by 50%
- Port clearance time cut by 50%
- Access to finance by Manufacturing sector improved and streamlined
- Occupation of existing industrial estates increased to 90% capacity

7.4.3 Policies and Strategies

Targeting

The State will encourage export-oriented, technology-intensive, globally competitive heavy industries (metal/steel products, extractive industries and petro-chemicals) to take advantage of the availability of sea and air transportation. This will be done through deployment of incentives, promotion and improving port and airport facilities.

Physical Mechanisms

The State will promote and support the establishment of industrial parks and clusters so as to create an environment for local manufacturers to thrive collectively and to strategically position themselves within Lagos. In addition, the State will continue to deploy Free Trade Zones and Enterprise Zones to encourage manufacturing and other investment.

Skills for Manufacturing

The State will continue to support investment in the education, development and deployment of highly skilled manpower to the manufacturing sector.

Linkages Upstream and Downstream

The State will support manufacturers to leverage the indigenous contributions of SMEs and the Informal Sector and to provide downstream opportunities to smaller entrepreneurs in Lagos.

Finance and Regulations

The State will work closely with the Financial Sector to improve the access to financial loans to manufacturing industry and promote these opportunities. Operations of the regulatory institutions will be standardised and aligned with the sector's policies and strategies. The provision of accessible trade channels that remove barriers to trade will be facilitated.

Labour

The State will ensure that Labour laws are in place that will ensure conducive working environment, improve safety at work and promote industrial harmony.

Information and Promotion

The State will gather and provide, on demand, adequate and relevant information to potential investors in the state. They will also create avenues and platforms which link employers and also link employers to potential employees. Opportunities to showcase and promote local crafts and industries will be provided and home-grown technology will be encouraged by providing legislation for the protection of intellectual property rights.

7.5 Agriculture

Although Lagos is primarily an urban state there is a significant amount of agricultural land within the state and also land outside that can be used with the agreement of neighbouring states and the appropriate local authorities. 22% of the area of Lagos is also made up of water bodies and this affords opportunities for fishing. Agriculture may not contribute a

great deal to the GDP of the state at present but it is an important sector for the estimated 350,000 farming families scattered throughout the Epe, Ikorodu, Lekki, Alimosho, Ojo and Badagry areas. In addition, there is a growing larger scale sector that can make important contributions to the state economy. Opportunities exist for agro-business and this sector can add jobs and added value to the economy.

7.5.1 Pillar Objectives/Outcomes

- Healthier and more productive populace
- Improved Food sufficiency
- Lower, more stable food prices
- Increased availability of locally produced raw materials for agro-based industries
- Increased contribution of agro based MSMEs to the state's GDP
- Private sector investment led transfer of technology
- Improved rural livelihoods through improved agricultural production.

7.5.2 Policy Objectives

- Enhance the production of food crops, livestock, fish and other agricultural produce, particularly for those which the State has comparative advantage to exceed the State's demands
- Ensure access to safe, hygienic and nutritious food within the State
- Establish Farm Estates within and outside the State to develop rice and other high value products
- Collaboration with farmers in other States e.g. Ekiti, Osun and Kaduna to boost harvesting and processing of agricultural produce
- Operate and maintain strategic food reserves to mop up excess food production in the country and release it in times of need
- Sustain the operation of a favourable land use policy in Lagos State that provides access to affordable agricultural lands as well as protect and encourage their development
- Achieve set quality standards for all processes within the agricultural value chain in the state
- Achieve an economically empowered citizenry (particularly the youth and young school leavers) engaged primarily in agriculture
- Support farmers with regard to advice, mechanisation, inputs, storage and marketing

7.5.3 Policy Targets

- Framework put in place to ensure and stimulate an increase in food and agricultural raw material supply
- Annual rate of growth of the Sector exceeds GDP growth by 10% p.a.
- Aggregate food supplied internally increases from less than 10 per cent of total consumption in the State in 2012 to 15 per cent by 2018 and 20% by 2025
- Level of compliance with monitoring and inspection guidelines increases each year
- Percentage change in the quality and quantity of farm inputs (e.g. fertilizer, seed, etc.) delivered to farmers by government and/or private companies improves by at least 5% p.a. against benchmark
- Ratio of extension agents to farmers achieves 1:1000
- 90% of establishments undergoing inspections which meet minimum requirements
- Productivity of smallholder producers enhanced by 10% p.a.
- Measures undertaken by the State to ensure access to land and conserve land for good agricultural practices, including for women and marginalised groups
- Nutritional awareness levels in schools and within the general populace

7.5.4 Policies and Strategies

Farm Estates and Commercial Farming

The State will organise farming and fishing estates that can add to food production, create jobs and provide examples of good practice. They will undertake and encourage additional large-scale mechanised rice and cassava cultivation spanning planting, harvesting and processing. The State will take the lead in the development of a paddy system for rice cultivation with appropriate irrigation for small scale farmers. In support of this strategy the State will encourage consumption of locally produced rice and promote the growth of industrial rice and high quality cassava flour milling.

Agri-Business

The State will make available sufficient numbers of agro-industrial parks and conditioning centres that meet international standards to cater for both local and international agro-production and processing requirements.

Finance

The State will work with financial partners to make available soft loans to small and medium scale farmers. The State will also fast track farmland to interested investors and provide subsidised modern equipment to existing farmers. The State will provide major financial incentives to companies in the agro-allied business and seek PPP ventures in this area.

Small Farmers

The State will seek to achieve a vibrant agro-based MSME industry that is growing sustainable at a rate above the State's GDP growth rate. It will further, facilitate easy access to finance, risk management tools, market and cooperative benefits for stakeholders in the agricultural sector and encourage co-operative schemes for marketing, inputs and machine sharing.

Consumer Protection

The State will sustain institutionalised platforms and processes for the protection of consumers from the harmful effect of foods and food borne illness and optimise economic benefits from agriculture through diversification of end uses of agricultural products.

7.6 Tourism

Tourism is a global growth sector and offers opportunities to the state to exploit its many advantages as a coastal area with a rich cultural heritage and a warm climate. The tourism industry is wide and complex and can provide a significant number of jobs, earn foreign currency and add value to GDP. Lagos is well placed to develop its tourist industry as it has a major international airport and seaports as well as good and improving road connections to the West African region. The State's growing middle class also provides a basis for an increase in indigenous tourism. Continuing improvements to security, the cleanliness of the urban fabric and general improvements to transport and other infrastructure can lay the basis for expansion in this sector.

7.6.1 Policy Objectives/Outcomes

- Lagos State as a preferred tourism destination in Africa
- The strong cultural identity of Lagos enhanced
- A culture of leisure, recreation and tourism among residents

- Coastlines fully exploited in a sustainable manner for tourism purposes
- The standards of the Hospitality industry are to international levels

7.6.2 Policy Targets

- Increase the Influx of tourists to the state by 15% p.a.
- Increased revenue generation for the state from tourism to 10% of GDP
- Revive all existing and functional tourism sites
- 50% increase in citizenry participation of cultural events
- 10 new rural community tourist infrastructures developed
- All museums and historic sites refurbished
- All coastlines maintained and protected

7.6.3 Policies and Strategies

Increasing the number of Tourist Attractions

The State will transform Lagos state into a preferred tourism destination in Africa through establishing sufficient number of innovative and standard tourist attractions that will cater for the needs of at least 15 million tourists to the State annually.

Sustainable Tourism

The State will encourage the sensitive and sustainable development of the best coastlines for tourism purposes.

Private Sector Driven

The State will seek to achieve a robust tourism system that is private sector driven.

From Business to Tourism

The State will support initiatives to attract business visitors to Lagos to spend additional days as tourists. One component of that will be to encourage specific tourist and cultural events that are designed to attract business visitors.

High Standards

The State shall ensure all tourist sites and facilities in Lagos State are properly maintained and to the highest standards internationally.

Cultural Identity

The State will help to build a strong cultural identity for the state.

Developing a local culture of leisure

The State will promote a culture of leisure, recreation and tourism among residents.

7.7 Housing and Construction

The Housing and Construction Sector is both an economic and a social activity. On the one hand, as an industry it provides a large number of jobs, many of which are unskilled. This provides important opportunities to many employable workers who might otherwise be unemployed or under-employed. On the other hand it meets a crucial human need for shelter and also engages in many other vital building projects essential to good social living in an urban environment. This sector is also a very good indicator of economic growth since it reflects the extent to which the city is developing. With such a large city as Lagos this sector should be flourishing at all levels. Land is also a vital component of this industry and also makes significant contributions to IGR. Aspects of this sector are also covered in Chapter 10 under the Built Environment, where the issue of slum housing and improving poorly planned neighbourhoods is covered.

7.7.1 Policy Objectives/Outcomes

- Citizens have access to their desired choice of housing
- Good quality housing development obtains in urban and rural communities
- New housing development built in a sustainable manner
- Access, ownership and transfer of land is clarified and simplified
- Land utilisation is optimised across Lagos State

7.7.2 Policy Targets

- 100% of citizens will have access to decent housing
- At least 25% of citizenry will own their home by improving access to affordable mortgages
- Annual house building rates to be progressively accelerated over the plan period to achieve 20,000 units p.a. by 2015, 50,000 units by 2020 and 80,000 units by 2025.
- New housing to be built in the ratio of 70: 20: 10 (for low, medium

and high income brackets, respectively)

- 5% annual reduction of slums
- Enforcement of >70% compliance in building design & housing standards law
- Housing development that preserves land to ensure the long-term viability of the city.
- Reduction in the cost of rent as % of average income
- Simplified process of ownership and transfer of land
- Reduction of building costs through championing the use of alternative materials and technology

7.7.3 Policies and Strategies

Planning Framework

The State will develop a long term housing plan and implementation framework. They will also ensure that housing units have access to required infrastructure, utilities and services.

Multiple Housing Approaches

The State will pursue housing development in the State through a combination of different models, involving all sectors.

Affordable Housing

The State will maintain and expand State Housing programmes as far as possible, especially in the high and medium density categories. They will maintain and extend housing initiatives such as HOMS and CHOIS. A PPP approach to housing development in the State, especially in low cost social housing, will be encouraged by providing incentives to the Private Sector. Further opportunities for the development of affordable housing will be made through land subsidies and shared equity schemes.

Social Housing Needs

The State will accommodate diverse housing needs of the citizenry within Lagos State by ensuring provision is made for an ageing population as well as for single households, the young and disabled. The State will seek to reduce or eliminate homelessness.

Land

The State will ensure that sufficient land is allocated for housing in suitable locations and will promote competitive rates and levies on land

transactions and development in Lagos State. The State will facilitate real estate investment in Lagos State through land attractiveness, availability, ownership and ease of transfer.

Housing Standards

The State will establish relevant “Housing Quality Standards” (Building, Maintenance, Aesthetics and Living) and ensure compliance.

Rural Housing

The State will facilitate new and improved housing development in the rural communities.

Innovation

The State will promote innovation in housing development so as to facilitate the reduction in housing costs.

Information

The State will improve housing data to identify housing needs, locations and other key baseline requirements.

7.8 MSMEs and the Informal Sector

The MSME and Informal Economic Sector is an extremely significant economic sector, involving the majority of economically active workers in both urban and rural settings in the State. Improved information and data will be assembled of its composition, dynamics so as to identify the main drivers of enterprise and the potential growth in the sector. The inter-dependence of the formal and informal economy is appreciated but the key points of intersection and interchange will be identified. The success of one depends on the success of the other and the macro-economic environment affects them both. It is acknowledged that the MSME/Informal Sector is fluid and difficult to manage through hard rules and regulations. The State will balance the need for job creation, in both formal and informal parts of the economy, with the need for orderly management of the city and of residential areas. Many of those engaged in the informal economy are very poor. The key issue is how best to help them to improve their livelihoods. In modernising, regulating and improving the city ways will be found to accommodate the informal sector so that it continues to contribute to the economic life of the city. The informal sector can make a much greater contribution to income

generation for the state but this will be done without stifling enterprise. Those enterprises with the most potential to expand and create jobs will be identified and given additional support.

7.8.1 Policy Objectives/Outcomes

- Maximise job creation
- Strengthen linkages between formal and informal, upstream and downstream
- Promote self-regulation among Informal sector as far as possible
- To highlight and support the role of women in this sector

7.8.2 Policies and Strategies

MSME/Informal Sector Plan

The State will develop a Strategic Plan for the SME/ Informal Sector that identifies ways in which the sector can maximise its potential for job creation and add value to the Lagos Economy.

Gender Issues

The State recognises that many women are involved in the Informal Sector and will seek to identify their special needs. In particular it will develop special training programmes targeted at women entrepreneurs.

Business Incubators and Land

The State will establish business incubator centres (e-centres & physical centres) to provide a range of entrepreneurial business needs, from conceptual development to start-up through to profit and growth. It will also earmark land with sites and services for SMEs in all neighbourhoods, involving the local authorities.

Other types of Support

Procurement processes will be assessed by the State to assist enterprises with access to new markets. The State will also promote business linkages between the informal and formal sectors. Health and environmental health education shall be promoted among informal economic enterprises.

Finance

The State will work to strengthen micro-credit organisations that service the SME/Informal sector.

Consultation

The State will hold regular consultations with SMEs, formal and informal, to understand their needs and determine ways of meeting those needs. Support will be given to strengthen informal trader organisations and ensure they are properly constituted, representative, and transparent.

Regulations

The State will streamline existing regulations on small businesses to increase the rate of new business formation, survival of new and existing enterprises and increased development of entrepreneurs. Broad awareness raising and information campaigns on support and regulatory measures will be undertaken.

From Informal to Formal Enterprises

Informal business should be assisted and supported to become formal micro, small and even medium sized enterprises.

Co-operatives

Co-operatives will be encouraged to take advantage of bulk buying discounts so as to give them a competitive edge in the market

Information and Monitoring

The State will establish information and monitoring systems that will keep track of the sector, its component parts and the ways in which it is changing.

7.9 Other Sectors

All economic sectors in Lagos are recognised as playing an important part in the development of the State. It is vital that the Finance and Commercial Sectors are supported to grow and expand so that Lagos can achieve its Vision as a model Mega City. Similarly the Hospitality Industry, which provides considerable benefits to the Lagos economy will be supported and encouraged to grow and achieve high standards. The nascent Film Industry is also recognised as one having much potential that deserves facilitation and encouragement. The support, facilitation and encouragement of these sectors will be mainly achieved through the various policies and approaches described below under the various cross-cutting themes.

At the present time the Oil and Gas Industry is not particularly strong in Lagos, having a large storage and transportation role. However, the continued exploration of the potential Benin Gulf oil fields may make Lagos an oil producing state. LASG will carefully manage and regulate such a development to ensure that it does not impact negatively upon the people in terms of environmental, security and probity issues.

All other sectors such as Power, Transportation, Telecommunications and other infrastructure issues are dealt with in the next Chapter.



Chapter 8

Infrastructural Development Pillar

Aim: An efficient and effective infrastructure capable of meeting future needs

Strategic Direction: Efficient power, effective mass transit systems, access to potable water and other key infrastructures essential to achieve a sound and growing economy and achieve social progress

8.1 Pillar Dimensions

There is acknowledgement that sound infrastructure contributes in significant ways to economic growth, employment and delivery of services (housing, education, health, etc.). It helps to expand trade, raise productivity, improve living standards, reduce poverty, contribute to gender equity and improve environmental conditions. *Evidence available indicates* that Lagos State suffers from inadequate and unreliable infrastructure. Infrastructure deficit/inefficiency in the transport, water and power sectors has led to the high cost of doing business in Lagos State, for example, the intractable traffic congestion in the Lagos Metropolis and the associated loss of productivity and valuable man hours.

The priority services for the growth and development of the State's economy are power (energy), transportation, water and telecommunications. *They are all deficient and cannot meet the immediate*

and future needs of the economy. The infrastructure sector is fragmented and complex, with a large number of players in both public and private sectors and facing numerous institutional, policy and operational challenges as has been observed in the previous sections, *making it difficult to identify a single critical weak link.* There are problems in the operating environment with the operating environment entangled in issues such as that of incomplete policies and regulations, overlapping policies with Federal Government level, lack of common and consistent approaches in formulating policies, determining priorities, tariff setting, etc. *There are complications and delays in the stages of planning and approvals, financial allocations, detailed engineering and physical construction, and hence commencement of operations.* Lack of resources remains a major impediment to the delivery of infrastructure. Federal grants and external loans do not meet demand. Opportunities for generating internal revenues are there but limited. **Public-Private Partnerships (PPPs) are gaining ground in terms of acceptability and importance as a means of delivering infrastructure, some of the major road junctions have been constructed that way.** However, all over the world Infrastructure is not one of the most attractive investment options for the private sector. Its contribution will also remain limited.

The State will prioritise its interventions. It is committed to rapid transit systems and to this end has developed plans for the Blue and Red Train lines through Lagos. Increased use of water transport is another priority and the construction of new jetties and ordering new ferry boats has been undertaken. But, the key infrastructural priority of the State will be the Power Sector. Power is seen as a driver for other infrastructure elements and sectors. It has already been demonstrated that lack of power is slowing down growth and diverting resources for the purchase of generators and fuel to drive those generators. The generators are a source of noise, air and water pollution. Addressing the power challenges first will give the State the jump-start it has always desired.

8.2 Power

8.2.1 Introduction

In pursuit of its Africa's Model Megacity Vision, Lagos State Government is keen to provide leadership in the development of electricity to serve Lagos and Nigeria. Steady power supply has in the past eluded both Nigeria and Lagos State. The current demand for power in Lagos State

stands at between 5,000 and 8,000MW. The supply fluctuates between 900MW and 12000MW - leaving an enormous power supply gap. Lagos State has embarked on the Lagos state power sector development plan and this is driven by public private partnerships which attempts to ensure that there is affordable power on demand. The Power Sector will also be driven by cutting-edge research, incorporating environmentally friendly generation, distribution and transmission, and be governed by fair regulation.

Lagos State will therefore develop and maintain well-managed administrative machinery for the Power Sector, apply world class management principles and practices in the fulfilment of this mandate and create a conducive environment in which State citizens and all stakeholders thrive.

8.2.2 Policy Objectives/Outcomes

- Lagos has a reliable, adequate affordable and sustainable power supply that propels development and attracts investment.
- There is a strong foundation for the power sector with well-defined standards, ability to calculate requirements and capacity to generate, transmit and distribute power.
- Lagos State has explored and added other forms of Renewable Energy to its portfolio of energy supply.
- Lagos State has established a stable and sustainable power generation infrastructure which, meets the requirements of the Lagos State Government's immediate power needs.
- There is cordial relationship with all parties critical to power sector management.
- Working closely with the Federal Government NERC, Lagos State Administration continues supporting the Lagos State Electricity Board (the state regulatory agency for electricity and power).
- There is adequate state legislation and policy to support electricity generation transmission and distribution

8.2.3 Policy Targets

Generation

- By 2025 Power generation capacity availability (electricity, solar,

wind and oil) in Lagos State is increased from 900MW to 15,000MW

- By 2025 industry, commerce, hospitals, schools and residential accomodations will should function without back-up generators, freeing up significant resources for other uses.
- By 2025 the State Government should generate electricity from Renewable Energy i.e. Solar Energy and Waste-to-

Energy. Transmission and Distribution

- By 2025 assisting the consortiums that take over Eko and Ikeja Distribution companies to reduce transmission losses in the National Grid from 40% to 15%.

Retail and Consumption

- By 2025 assisting the consortiums that take over Eko and Ikeja Distribution companies reduce improve the tariff collection efficiency from the present plus or minus 60% to 95%.
- By 2020 the State will have a competitive market guaranteed by an Act, Policy and Market Rules, with clear consumer rights and obligations.

Policy and Management

- By 2015 empowering the State independent electricity regulator in implementing appropriate operating codes and safety, security, reliability and quality standards.
- By 2020 LASG has highly skilful and motivated technical and managerial manpower in all sections of power generation, transmission, distribution and management.
- By 2020 there is effective power sector data management (data collection analysis storage retrieval and usage).

8.2.4 Policy and Programmes

Generation

Improvements in generation will involve the State facilitating the private sector to rehabilitate and maintain existing electricity generating stations to raise the level of effective capacity. It will also involve the intensification of constructing new power stations by the private sector with State assistance. Some of the new power generation options include the establishment of emergency power plant barge projects aimed at providing an additional 300-1000 megawatts of electricity. The State will thus continue to develop captive power plants for critical areas of its

economy. It will continue to support prospective investors in the state electricity sector through assistance with land acquisition and access to quality infrastructures e.g. road, water and gas. The passing of the Electric Power Sector Reform Act in 2005 signalled Nigeria's commitment to reforming the sector. The Act aimed to improve the performance of the sector by allowing private companies to invest in and operate power companies.

Plans are advanced for the development of the following power plants that will be completed before 2025:

- Peninsula Power Plant will be a 6.5 MW plant that will run on Compressed Natural Gas (CNG) to supply power to Lekki water works, Victoria Island water works and public lighting within Lekki Phase 1 and Victoria Island extension.
- Ikeja GRA Power Plant will be a 10 MW plant that will run on natural gas or Compressed Natural Gas (CNG) to supply power to Lagos State Teaching Hospital (LASUTH) and LASG Old Secretariat
- Industrial Estates Power Plants: These will be small, medium and large scale power plants for the following LASG industrial estates : a) Isolo Industrial estate, b) Matori Industrial estate (39.9MW), c) Imota Agro Allied estate and d) Ikorodu Industrial estate (135MW)
- Lagos State Solar Farms, Solar Street Lighting, and Waste-to-Energy initiatives are also being developed for deployment within the state.
- The State Government will also encourage and work with the Federal Government to finalise the Gas Master Plan. It will encourage more companies to bring natural gas to un-served parts of Lagos.

Transmission and Distribution

It was reported in the sector assessment that transmission and distribution technology is increasingly obsolete in a number of areas. This was causing endless disruptions to power supply and more challenges regarding maintenance. The State will enter into serious negotiations with NERC to reduce transmission losses to less than 15% through adoption of appropriate necessary technologies, build more transmission lines and upgrade distribution transformers via the provision of relief

transformers. The negotiations with NERC will extend into distribution so that the distribution network is improved through the installation of higher capacity transformers.

Stealing power from the grid, a widespread occurrence, is dangerous and causes a significant loss of revenue. The public needs urgent education on the dangers of tampering with transmission, distribution lines and street lights. The public also needs to appreciate a duty to protect public infrastructure. The State will increase its policing of power infrastructure and prosecution of offenders.

Retail and Consumption

There will be improved and accurate billing of customers and more use of prepaid meters to improve cash collection. The State will be flexible and allow power suppliers to experiment with alternative billing and collection methods and the State will support with legislation to enable efficient and effective billing and payment collections.

Policy and Management

The State will in consultation with NERC develop and implement a comprehensive energy policy that will support the State's socio-economic development plans, job creation and revenue generation. The overall objective of the policy should be to enable energy production, procurement, transportation, distribution and end-user satisfaction in an environmentally sound and safe manner through efficient regulatory oversight. The policy will help position Lagos as a leader in energy security. It will also make Lagos State an attractive investment destination for independent Power Producers.

Simultaneous with the policy formulation agenda will be the preparation of a Power Sector Long-term Plan and Strategy, which has already begun. The sector plan will cover both conventional and renewable power solutions, create a database of 'actual' power consumption, measure the impact of environmental hazards posed by current self-generation of power, create jobs for graduate engineers, and implement sustainable IPP solutions. The plan will thus explore and create a framework that allows LASG to invest in all alternative energy sources that leverage Lagos State's natural resources.

Following policy and plan approval, guidelines will be prepared that will

contain appropriate strategies for the development of both conventional and renewable power solutions, diversification of fuel usage, gas supply, petroleum products strategic reserves and infrastructure monitoring. The guidelines will open an avenue for broader sector reforms that will inform the next LASG Strategic Plan.

Sector Reforms

The State will also embark on comprehensive Power Sector Reforms. The Sector Reform will be in two stages. The first stage will involve negotiations to reform the current Federal system and the second stage will concern applying the agreed Federal Reforms to State level.

As power generation is currently under Federal control, LASG will need to work with the Federal Government to be able to reach its policy objectives. Negotiations with Federal level will involve structural organizational, institutional issues. The first step is to establish clear roles and responsibilities between the Federal level and the State. There is growing agreement that the Federal Government level should be concerned with policy direction, monitoring and evaluation of implementation and performance and the State have responsibility for generation, transmission and distribution in collaboration with Local Government Areas and the private sector. This will open the way for the State to undertake regulatory functions. The State should promote competition and private sector participation, establish and approve appropriate operating codes and safety, security, reliability and quality standards, establish appropriate consumer rights and obligations, license and regulate all persons engaged in generation, transmission, operation, distribution and trading of electricity, approve amendments to market rules as necessary and monitor the operation of the local electricity market. The second step is likely to involve the unbundling of the Power Holding Company of Nigeria (PHCN) so that there is a functional separation into generation, transmission, and distribution. LASG is of the view that the transmission network should be defined as 132KV and above while distribution network starts below 132KV.

Application of the reforms at State level should lead to improvement in power supply through the creation of viable and efficient companies or entities which will be allowed to work out appropriate tariffs to remain viable and able to expand and respond to Industry needs. The new tariff structure should allow for differential pricing by customer types in order

to facilitate cross-subsidy options.

Financing

The State recognises the huge capital requirement for investment in electricity and is committed to releasing funding to finance power related projects. There is additional assistance from the Infrastructure Concession Regulatory Commission and the World Bank to facilitate long-term funding for private investors in the power sector at commercially viable rates. According to the Lagos State Government, Lazard, PWC analysis and assuming an estimated capital cost of US\$1000 to install 1KW of power per capital (based on Gas Combined Cycle power plants), Lagos will need N12,209 billion (exchange rate based on 2012 average of US\$1 = 147 Naira) to achieve 15,000MW target of power by 2025. This will work out at N900 billion per annum, assuming the cost is split evenly over each year from 2013 to 2025. This is just the cost to construct power stations and does not include costs to develop the distribution network. This will need another N50 billion per annum. This is well above the State budget capacity. A significant amount of the investment in power infrastructure will therefore come from the donor community and the private sector through PPPs.

The LASG will leverage strategic partnerships within and outside Nigeria to develop its energy sector. This will include identifying and developing alternative energy sources. Aid organizations that will be approached include agencies like the Department for International Development, World Bank, among others, for the provision of support services to both the ministry and the Lagos State Electricity Board.

Attracting investment from the private sector in the form of Public-Private partnerships (PPPs) will be an important avenue for financing the Power Sector. Several models have been identified including, for example:

- Build-Operate-Transfer, where the private sector builds the power plant, operates it for a period and then transfers it to LASG.
- Permanent ownership by private sector.
- Equity ownership by LASG with debt from outside investors (e.g. IFC); however, this still requires significant amounts of LASG capital.

Manpower Development

LESB will establish and run a Training Centre to train technical staff who

can be distributed to all LGAs to attend to operations and emergencies. The curriculum and competence levels of staff at the Centre will be set at appropriate levels. The quantity and quality of graduate will be designed in such a way that it is sufficient for the market. The following steps will be taken to make this possible:

- A full feasibility study for the establishment of the Training Centre will be undertaken. The feasibility will take into account the challenges that have occurred in the technology and training approaches across the globe over the last ten years and changes that are necessary to support the power stations rehabilitation exercises.
- Development of staffing policy for the sector that gives greater autonomy to the Training Centre and scope for increased incentives.
- Link training to operations to rehabilitate and maintain existing infrastructure and mobilise resources to equip the Training Centre and run continuous refresher courses for the lecturers.

8.3 Transportation

8.3.1 Introduction

The aim is to create a safe, reliable and efficient integrated and multi-modal transportation system for sustainable socio-economic development of Lagos State. It wants to ensure affordable and efficient movement of people and goods. The strategy will ensure efficient and affordable movement of people and goods, link people to jobs and markets, etc. This will lead to economic competitiveness of the State, lowering of the cost of production, increased productivity, improved health and time efficiency and affordable and efficient movement of people and goods. Today, the transport system is inadequate for the growing urban population in the State. All modes of transport have challenges. The bus public transport operation suffers from high levels of fragmentation and inadequate regulation. The rail transport has few existing rail corridors and the existing corridors are grossly under-utilised. In the water transport there is no coherence amongst water transport regulatory agencies. In the non-motorised transport infrastructure facilities are extremely limited throughout the State. Finally in the para-transit mode of transportation (okadas) there is indiscipline and regulations are not effectively enforced.

8.3.2 Policy Objectives/Outcomes

- There is increased productivity through the provision of standard and eco-friendly transport services in Lagos State
- There is reduced average commuting time and cost of transportation leading to overall economic growth of the State and social well-being of the citizenry.
- There is increased access to basic social services (education, health, housing, etc) due improved access to transport infrastructure.
- There is increased participation of all stakeholders in the transport sector
- There is capacity in the transport sector to enable it deliver on its mandate

8.3.3 Policy Targets

Access and affordability

- By 2025, 90% of population lives within 15mins walking distance to public transportation.
- The capacity of the public transport sector increases from handling 7 million passenger trips per day to 12 million passenger trips per day by 2025.

Efficiency

- The average travel time to any part of the State is cut down by 50% by 2025.
- The bus public transport network density increase from 0.6km/1000 population to 1.5km/1000 population by 2025.
- There is a 10% fall in the number of private cars on the road year-on-year
- There is by 2025, a 50% drop in accident rate on roads.
- There is by 2025, a 70% reduction in noise pollution especially from unnecessary use of the horn.
- There is a 10% reduction per annum on negative emissions from vehicles especially buses

Integration

- A 60% road, 20% rail and 20% water public transport modal split

achieved by 2025

Management

- There is by 2025, a 50% fall in the numbers of unroadworthy on the Lagos State registered vehicles on the roads
- There is by 2025 a 70% increase in Traffic System Management awareness by the public
- There is by 2025, a 40% fall in traffic offences
- There is by 2025, a 100% registration of public transport operators
- By 2015, there is a well-articulated and adopted transport policy and strategic management framework

8.3.4 Policy and Programmes

Access and affordability

- Rehabilitate and repair what is already there before embarking on new infrastructure.
- Review transport network maintenance regulations and policies to identify potential barriers to Implementation and areas which require reinforcement of regulatory framework.
- Entrench a culture of maintenance and improvement of transport systems among all the transportation agencies.
- Identify and respond to training requirements for maintenance from local authorities and contractors.

Efficiency and Impact

- To improve safety, retrain drivers involved in public transport
- Continuously engage and educate the public on transport network usage safety e.g. driving behaviour and attitudes especially at road junctions.
- Publish and make easily available to the public safety and security transport standards.
- Improve road markings and signage as well as installation of Crash Prevention Guidance (CPG) and Intelligent Transport Systems solutions.
- Develop and implement a program for campaigns raising public awareness on the need to reduce the adverse environmental

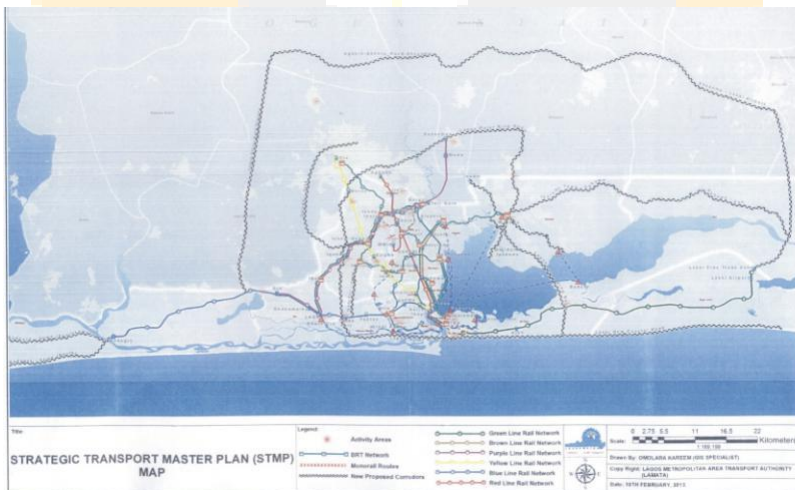
impacts of car use and to demonstrate to businesses, operators, schools, communities and individuals the part they can all play in meeting this challenge.

- Create and implement mechanism enforcing strict adherence to environmental standards and benchmarks.

Integration

- Implement an *Integrated Transport System* where the various modes of transport (buses, trains, ferries) are brought together in terms of location, timetabling, ticketing and information. The integrated plan builds on from the existing initiatives which have proved successful.
- Write new policies that will make transportation friendly, convenient and affordable to the commuters. This will be accompanied by improved Traffic management and Road safety through, among other things, construction of Median Barriers, provision of road signs, installation of Intelligent Road Studs, rehabilitation and upgrading of Traffic signal Lights and improved road junctions.
- The distribution of such projects in the plan area is illustrated in the diagram below.

Fig. 11: Lagos Strategic Transport Master Plan



See enlarged Map on page 287

- Develop an integrated transport policy and a fully autonomous public-private agency for the regulation and management of the transportation sector. Features of the policy will include:
- Enhanced connectivity across the State to leverage the concentration of people and goods.
- Increased choice of travel for all stakeholders.
- Rules that govern the transportation system and ensure that all transport system designs and construction meet safety and security standards and facilitate the development of effective and efficient interventions to improve safety.
- Standardisation of transport systems to reduce adverse environmental impacts e.g. inclusion of aesthetic transport systems that preserve the natural environment and cultural heritage.
- Creation of appropriate mechanisms to ensure participation of the transport stakeholders in the state infrastructure planning and development process.

Policy and Management

Review and prepare a new Transportation Master Plan. The review and planning exercise will:

- Identify limitations in the existing strategies to meet current and future State transport needs.
- Coordinate land use and transport plan making bodies, and transport operators for participation in planning meetings.
- Create a framework for a co-coordinated approach between land use and transport
- Standardise transport systems to improve efficiency and reduce the adverse environmental impacts.

Training and Capacity Development

LASG will encourage the development of transportation-related expertise and research in the public, private and academic sectors. It will create an institute for transport system research and development planning. The institute will complement the outputs from the universities and technical colleges by providing on the job in-service training.

Financing

The financial demands of the sector are far in excess of the State's planned commitments or capacity to commit to the sector. The challenge is to find innovative ways of engaging other stakeholders in bridging the gap. LASG needs to develop strategies to encourage investment across transport modes in an integrated way to achieve better co-ordination. One of the strategies that is gaining momentum is developing strategic partnerships through Public-Private Sector Partnerships (PPPs). Some of the potential projects that are possible through this approach are:

- The rapid rail transit system (Red and Blue Line networks) which can be built through a Design, Build, Operate and Transfer (DBOT) model. LASG could inject capital on building the tracks, bridges and stations and the private sector can focus on rolling stock, depot equipment, communication and control equipment.
- Bus rapid transit where the public sector can concentrate on depots, roads rehabilitation, bus shelters, lay byes, street lighting and fencing terminals. The private sector can then concentrate on rolling stock and working capital.
- Water transport systems where the public sector can concentrate on the construction of jetties, access roads and safety regulation and security. The private sector can build terminals, purchase vehicles and operate the scheme.
- Roads and Highways where the private sector can recover its investment through toll gates.
- Other Funding strategies available include Rate Increases, Improvement of processes/Collection strategies, Reduction in Operating Costs, Rationalisation of Service Levels and Shared Services and Outsourcing.

8.4 Water

8.4.1 Introduction

The aim is to provide potable water for all residents at sufficient quantity and at economic rates to cover operational costs. Water resources play a central role in economic growth and livelihoods of all Lagosians – water is life, a means and a human right. Investments in water address poverty alleviation/economic development and service delivery to the people. Management of water has implications to other activities e.g. pollution

and control of floods.

8.4.2 Policy Objectives/Outcomes

- The State provides sufficient and equitable potable water to all its citizens
- Water supply projects should be effective justifying the huge capital expenditure involved
- Water supply projects should embrace technical innovation and environmental protection which include aquifer recharge since there is greater focus on underground water abstraction
- The State should make the water sector more responsive to consumers' needs and preferences
- Tariffs introduced should be pro-poor and exhibit price differentiation for the different socio-economic groups in the State where necessary
- The State should enhance the capacity of technical and managerial expertise in the sector
- The State should reduce public subsidies to the sector
- The State should insulate the sector from political interference

8.4.3 Policy and Programmes

The State will inject large-scale investment into the sector and bring out new strategies to access private capital markets for meeting its targets. This will also help reduce public subsidies to sector

Access

The following projects are on the drawing table for meeting the projected future water demand:

Table 15: Proposed Water Works

Short Term (2012 -2017)		Medium Term (2017 - 2018)		Long Term (2019 – 2020)	
Treatment plant	Expected Yield(mgd)	Treatment plant	Expected Yield (mgd)	Treatment plant	Expected Yield (mgd)
Adiyan II	70	Odomola Ii	90	Yewa II (Desalination)	50
Odomola I	25	Adiyan III	70	Odomola III	95
Isahi Expansion	8	Yewa I (Desalination)	50	Upgrading Ishasi	23
Ota Ikosi Waterworks	4	Ibeshe (Desalination)	50		
Total	107		260		168
Cost (million US\$)	737.66		1035.94		712.35

Wastewater Management

80% of water consumed ends up as wastewater. With a present population of 17.56 million (Lagos State census figure 2006) and a conservative water consumption of 540 million gallons a day, about 400 million gallons of wastewater is generated in the State every day. Wastewater management in the State is essentially through septic tanks, with over 90% utilisation. Septic tank approach to wastewater management has been found not to be an ideal treatment alternative especially in high water-table areas in the State e.g. Victoria Island, Ikoyi, Apapa, Amuwo Odofin - (46% of Lagos landmass). Shallow wells/boreholes are polluted by infiltration of septic tank liquors. An acceptable standard for wastewater management is the provision of contemporary wastewater treatment plants (WWTPs). The State has recently upgraded 5 WWTPs with a designed capacity of 140 megalitres to serve an estimated population of 500,000. All the existing WWTPs are annexed to low-cost housing estates and government institutions. The State will be encouraging public-private partnerships in the development of WWTPs. The State cannot afford the quantum of short and medium term capital influx needed to spontaneously respond to infrastructural outlay in the wastewater sector without being complemented by other stakeholders. For the private sector, the number of investment opportunities in waste water management includes:

- design-build and operate wastewater treatment infrastructure (concessions)
- provision of packaged wastewater treatment plants for private developments.
- rehabilitation and modification of existing wastewater treatment plants in the State
- financing of wastewater management projects
- independent power production of energy and electricity from wastewater sludge.
- production of fertiliser from wastewater sludge.
- procurement and supply

8.5 Telecommunications

Priorities in the telecommunications will be private sector driven. The State's role will be setting of standards and coordination to ensure all areas have full telecommunication coverage. It will also, through the Lagos

State Infrastructure Maintenance and Regulatory Agency (LASIMRA) regulate and control the erection and installation of Telecom Mast and Towers for safety and standards in the interest of the public health.

8.5.1 Goals and Targets

The Lagos State Government hopes to achieve the following goals:

- To sustain Lagos State as the hub of innovation and creativity in the West African Sub Region and secure its position as a learning economy
- To promote broadband usage
- To achieve 100% computer ownership in homes with children of school going age
- To improve standards of education in institutions of learning
- To create a gateway to encourage access from bigger markets for trade and investment
- To create opportunity for entrepreneurs and job seekers
- Easier access to emergency communications at lower cost
- Easier access to government's e-services

Innovation, integration and internalisation are the basis of our master plan. The capacity to innovate and create new business models, solutions and services will enable Lagos State to be more competitive in a globalised environment. Equally important is the ability to integrate resources and capabilities for economic progress and digital opportunities for all Lagosians.

To achieve the targets, the master plan outlined four key strategies:

1. To spearhead the transformation of key economic sectors, government and society through more sophisticated and innovative use of ICT
2. To establish an ultra-high speed, pervasive, intelligent and trusted ICT infrastructure which will be used to more efficiently manage our resources
3. To develop a globally competitive ICT industry
4. To develop an ICT-savvy workforce and globally competitive ICT manpower

Chapter 9

Social Development and Security Strategic Area

Aim: An educated, skilled, healthy people

Strategic Direction: The strength of Lagos resides in its people. To ensure a dynamic, progressive social and economic environment requires a well-educated healthy people able to meet the skill needs of new industries.

9.1 Pillar Dimension

Each citizen has obligations to the State, such as allegiance and payment of taxes. In return the State will provide services to its population. It will offer services and facilities that enhance both equality of opportunity and quality of life. Citizens need access to quality and affordable education, quality health care, sporting and recreational facilities. Beyond this, the State will also respond to the needs of the disadvantaged groups (e.g. people with disabilities, the poor, the homeless, orphan and vulnerable children, and the terminally ill or older people). These people need special services and facilities to help them cope with life and participate fully in their communities. The State will also safeguard the security of each citizen and his property and advance his welfare.

This chapter presents proposals to create a dynamic, progressive social

and economic environment through a well-educated, healthy and secure people able to meet the skill needs of industries and look after the disadvantaged in society and to reduce poverty. Lagos State has undergone significant changes over the last ten years and these changes have given rise to a variety of social impacts and created new social needs which were presented in Chapter 5. For example, rapid growth in population has resulted in higher demand for school places, unemployment and rising costs of welfare. The same population growth has put pressure on health services and other social amenities. The growing number of unemployed young people is raising social concerns and is beginning to be associated with rising crime.

With scarce resources, there is need to prioritise the provision of social services. Overall, the State has opted to give more attention to education as the backbone of the economy. However, for each sub-sector, the following broad criteria will be used for prioritising investments. It proposes the following as priority investments:

1. Investments needed to mitigate high risks to the loss of life and existing physical assets – e.g. rehabilitation of schools and clinics. This also includes maintenance of all infrastructures which must be accorded priority in the annual budgets;
2. Investments needed to resuscitate or rehabilitate existing capacity and improve financial sustainability – e.g. cost recovery in schools and clinics;
3. Investments needed to expand capacity to meet current deficits and respond to new challenges – e.g. new stadia, new schools, new hospitals, new community centres

9.2 Education

9.2.1 Introduction

The mandate of the Education Sector, led by the Ministry of Education, is to develop and provide human capital for the State, aimed at supporting macro-economic development and implementation, amongst other focus areas. The State's Vision is for quality education especially at tertiary level. Education should be for sustainability and development i.e. education that extends beyond knowledge of specific disciplines into acquisition of skills that are relevant to industry, entrepreneurship, social values, justice

and concern for the living environment. If service delivery in this area is compromised, economic growth is slowed considerably due to a skills deficit in crucial sectors such as the finance and economic sectors.

The 2010/11 Annual School Census revealed for the first time the pluralist nature of education in Lagos, recognising the substantial role of the private sector. 61% of children at the primary level and 33% at the secondary level are now enrolled in Lagos' rapidly expanding number of private schools, now in excess of 12,000. Whilst continuing to improve the conditions and performance of the State's public schools, efforts will be made to create a more enabling environment within which private schools operate. The commitments to improving the business environment made elsewhere in this State Development Plan will be applied specifically to the education sector.

9.2.2 Policy Objectives/Outcomes

1. Education is free and accessible to all children in the State and relevant to the needs of the State economy.
2. Early Childhood Care and Development Education is comprehensive, accessible and free to all children in the State
3. Quality education is accessible to special needs students
4. Lagos has a skilled workforce that meets the needs of employers and, through that employment, the economic needs of the individuals.
5. All adults will have access to education throughout their lives, even if they did not finish the formal course, that is, no Lagosian need be illiterate or innumerate.

9.2.3 Policy Targets

Access and Equity

- 100% of Lagos State children are attending basic school by 2025
- More than 50% of Lagos State children are attending ECCDE programmes by 2015
- Reduce classroom - student ratio at JSS and SSS from 1:70 - 80 to 1:30 by 2020
- Each school to have sporting facilities, potable water and safe sanitation by 2020.

Quality

- Each class or subject to be taught by a qualified teacher by 2020
- Teacher - student ratio to reduce to 1:25 at all levels by 2020.
- Pupil - book ratio to reduce to 1:1 in primary schools in the major subjects of English and Mathematics by 2015.

Relevance

- 90% of the educational courses are *relevant to the needs of the State economy*.

Regulation and Management

- Up-dated guidelines on establishment and operation of private schools are available by 2015.
- Guidelines for Public - Private Partnership (PPP) Initiatives are developed by 2015
- Mechanisms for effective quality assurance enforcement in the State education sector agreed by 2015.

9.2.4 Policy and Strategies

In order to meet the above targets the LASG will embark on a number of policy strategies and programmes. The key ones are outlined below with more details on each strategy and programme available from the sector's MTSS.

Access and equity

- Adopt and localise national laws and policies ensuring access to quality education for all children
- Address factors that keep children out of school through involving parents and communities in the identification and enrolment of children out of school, especially those from disadvantaged groups.
- Improve completion ratio by addressing issues of retention
- Improve teaching-learning atmosphere by expanding classroom physical facilities
- Make schools fully functional through libraries, toilets, furniture etc
- Improve the mechanism for the supervision of private schools
- Support schools in disadvantaged communities through instituting school development grants and conditional cash transfers

Quality

- Adopt and localise national policies and laws setting minimum teaching and learning standards
- Introduce for both public and private schools mechanisms to attract, retain, develop and optimise skilled and competent teachers (including specialist teachers) and childcare providers. This will be accompanied by comprehensive in-service training and close supervision of all educational service delivery institutions.
- Develop and entrench a culture of social discipline and excellence in the State's educational system through the introduction of a comprehensive and robust monitoring and inspection system that identifies and rewards excellence in academic and non-academic achievements.
- Reform the Inspectorate by establishing whole school evaluation
- Create a more enabling environment within which private schools operate.
- Grant scholarships and bursary awards as tools for addressing inequalities.

Relevance

- Enhance status and attractiveness of Vocational Education and explore options for making it an integral part of general education from JSS1 to SS3.
- Produce more students who are well-informed and innovative
- Orient graduates towards the world of work by focusing on employable skills
- Prepare every child for responsible citizenship through the introduction of life-long learning skills at primary school level and infusing technology in curriculum and instruction
- Build entrepreneurial skills to create wealth and alleviate poverty through responding to needs of people from the youth to the poor and adult learner

Regulation and Management

- Fully roll-out LASGEMS
- Continually review and streamline institutions/departments/units to eliminate overlaps of functions

- Institutionalise an M&E Framework at the SMOE/District/LGEA level
- Carry out a capacity building assessment study for the sector followed by the preparation of a capacity building strategy.

Education finance

- Strengthen planning and resource management by improving the MTSS process
- Strengthen effective utilisation of funds and improve budget outcome through a performance management system.
- Continually engage relevant arms of government particularly those dealing with infrastructure to help with provision of supportive infrastructure like power, water and access.
- Improve level of funding for schools through increasing investment in education by the private sector, parental and community involvement in the management of schools and broadening strategic relationships and initiatives with key stakeholders – donors, NGOs, private sector, etc.
- Explore the increased delegation of financial management to schools for the use of UBE intervention funds

9.3 Health

9.3.1 Introduction

The Health Sector's mandate, led by the Ministry of Health, is to protect, promote and restore the health of Lagosians and to facilitate the unfettered access to quality healthcare services without financial or other barriers. A healthy person will contribute to the growth of the economy by spending more hours doing productive work and an efficient health system will use less of the State's resources. LASG wants to expand and improve its capacity to provide curative health care at the secondary and tertiary levels while also emphasising preventive care through the provision of primary health care especially for women and children. It also wants to be a prime global destination for persons in quest of qualitative medical care, that is, to attain excellence in health service delivery.

9.3.2 Policy Objectives/Outcomes

1. Lagos State has quality and affordable health care services that are available and accessible to its citizens

2. Lagos State has a fully functional, efficient and effective public health system at primary, secondary and tertiary levels
3. *Lagos State has a skilled, experienced and responsive workforce that meets the needs of a functional, efficient and effective public health system*
4. *Lagos State has an aware and involved health consumer society characterised by positive health-seeking behaviour and engagement in health planning and implementation.*
5. *Lagos State is a prime global destination for persons in quest of qualitative medical care*

9.3.3 Policy Targets

Access and Equity

- By 2025, ninety five per cent (95%) of population will be within 15 minutes' walk of a primary health centre
- By 2025 there will at least 3 PHCs in every of the 57 LGA/LCDA in the State with minimum service package.

Services and Programmes

- Between 2013 and 2025 the maternal mortality rate will reduce by 33% to <200 per 100,000.
- By 2025 the proportion of one-year-old children immunised against measles will have increased to 100%
- By 2025 the prevalence of underweight children under five years of age will be reduced by 50%.
- By 2025 the prevalence and death rates associated with malaria would have reduced to 300 per 100,000.
- By 2025 the proportion of tuberculosis cases detected and cured under DOTS would have increased to 90%.
- By 2025 the State would have reversed the spread of HIV/AIDS and reduced the HIV/AIDS prevalence by 23%
- By 2025 the proportion of population with access to affordable essential drugs on a sustainable basis will have increased to 95%

Manpower

- By 2025 there will be 4 health-workers per 10,000 population.
- By 2015 the Sector would have established and will be operating a up-dated and comprehensive performance monitoring and evaluation systems.

Regulation and Management

- By 2025 the State will have established a fully functional, efficient and effective public health system with an effective communication strategy, a sustainable health financing vehicle, providing access to affordable health services, adequate manpower, etc.
- By 2025, fifty per cent (50%) of the Lagos population have an e-health profile, improving their healthcare

Finance

- By 2025 the private sector will contributing up to 60% of the State Health Budget.
- By 2020 the State Health Insurance Scheme (SHIS) would have been established.
- By 2025, forty per cent (40%) of population will be covered by social health insurance, and 60% covered by social or private insurance

9.3.4 Policy and Strategy

Health by its nature requires the State to play a significant role in all health programmes. While the State will be delivering some of the health services directly to its citizens, its role will be confined largely to steering the overall health development programme through the setting of service delivery standards, design and issuance of guidelines, monitoring progress on meeting objectives and outcomes and securing essential funding for the sector.

Access and Capacity

- Provide and up-grade the health infrastructure at all levels of care. This should include hospital and clinic buildings, staff housing, equipment, etc.
- **Establish and manage a comprehensive maintenance system and programme for all health services and equipment.**
- Actively engage the private sector in a coordinated manner to ensure improved coverage of the populace while reducing the State's expenditure on the sector, especially human resources. The State should intensify its “task-sifting and task-sharing” campaign.

Quality of Services

- Align Lagos health services to international standards through capacity building of entire workforce, protocols, job-aids, etc.
- Up-grade the current two tier system into a three tier system intended to help in decongesting the secondary and tertiary health care system thereby increasing efficiency and effectiveness of health care delivery at all levels. It will consist of:
 - a) Individually-oriented *clinical services*;
 - b) Family- and community-based care: families and community-based agents can undertake themselves.
 - c) Population-oriented, *schedulable services* or outreaches in communities
- Improvement in Primary Health Care through proactive outreach programmes to the underserved, hard-to-reach areas e.g. provision of means of transportation - life boats, ambulance boats etc.; strengthening of existing campaigns for MNCH e.g. provision of **Family Planning** Commodities, Mama Kits, LLINs, HIV Test Kits, **Capacity building** on IMCI, ENCC, LSS, EMONC, PHC Review Methodology, etc.; and revitalising the role of WHCs through a provision of motorcycles to all LGAs. There will also be active collaboration with the National Primary Health Care Development Agency (NPHCDA) in all State programmes particularly especially in ART and MTCPT. NPHCDA was established in 1992 to support the promotion and implementation of high quality and sustainable primary health care for all through resource mobilisation, partnerships, collaboration, and development of community based systems and functional infrastructure.
- The Expanded Programme on Immunisation (EPI) will be given more resources. EPI coordinates all immunisation activities against all appropriate diseases and keeps records that are then shared with NPHCDA.
- Carry out a comprehensive review of current health approaches and programmes. The review will among other things investigate progress on the following initiatives that are being attempted or implemented:
 - a) Institutionalisation of a framework for evidence-based policy formulation.

- b) Engagement of key stakeholders to define and document standards for health care service provision
- c) Establishment and implementation of minimum requirements for licensing health practitioners to operate in Lagos State
- d) Inculcation of a strong culture of health and safety amongst the citizenry and in the work environment
- e) Integration of the activities of relevant agencies (water, sanitation, environment, housing) into the public health framework
- f) Establishment and support of new disease surveillance networks with the LGAs/LCDAs and neighbouring states
- g) Engagement of professional associations in the development of relevant continuing professional education programs for their members
- h) Promotion of public-private partnership to complement State efforts in areas of identified needs
- i) Sanitisation drug distribution channels to reduce prevalence of fake and adulterated drugs in the system

Manpower

- Recruit additional manpower (all cadres) to complement existing ones. The programme will ensure that qualified professionals employed are registered by their respective bodies to avoid the present situation where there is large market of unregulated and unregistered traditional practitioners who are believed to be patronised by up to 2% of the population.
- Engage in capacity development of existing staff through short term training courses and exposure visits and conferences. Where possible, measures should be taken to motivate and sustain skilled manpower in their present positions. Efforts will also be made to engage professional associations in the development of relevant continuing professional education programs for their members.
- Tighten supervision and monitoring using the instruments recently introduced – service charters, performance agreements.

Policy and Institutional Development and Management

- Efficient health service delivery is possible through effective compliance and enforcement of health standards and set procedures. Compliance and enforcement can only be guaranteed through institutionalised structures such as regulatory and enforcement agencies. The State will ensure that all regulatory and enforcement structures have clearly defined mandates, guidelines and operational frameworks. These mandates and roles will be clearly written down and explained to all these agencies, and, where necessary, backed by up-to-date laws.
- The Ministry will take all measure to ensure uninterrupted drug supply in the health care delivery system.
- Establish baseline data as a platform for the development of a viable health information system and hence a monitoring and evaluation system.
- Strengthen e-Health: Provide appropriate information technology infrastructure in all health facilities and ensure optimal application of technology in all aspects of health service delivery. Optimise the use of technology in automating health records and integrate these into a Health Information Management System (HIMS)

Finance

- Implement a State Health Insurance Scheme to enhance affordable healthcare. The State has commenced the Insurance Scheme in 2 LGAs, it now wants to scale up to the remaining 55 LGAs. The Scheme provides for the setting up of a regulatory agency (Lagos State Managed Care Agency), which will ensure health insurance coverage of persons in the formal sectors and informal sectors. The formal sector is expected to register with Health Maintenance Organisation (HMO) while the informal sector will register with the Mutual Health Organisation (MHO). The MOH is currently implementing requisite institutions for the expected take off of the informal and formal sector components of the scheme.
- The Ministry of Health calculations are that the implementation of a three tier Health strategy will require an investment equal to an average of 15 US\$ per capita per year. The initial investment

would rise progressively, from US\$8 in 2012 to US\$19 per person in 2020. The Ministry's estimates are shown in the table below (figures are in US dollars):

Table 16: Ministry of Health Investment Requirements 2012-2020

	2012-2014			2015-2017			2018-2020		
	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Service delivery modes x Investment/Recurrent</i>									
Family oriented community	44,178	78,943	113,721	137,939	155,857	173,789	197,966	211,952	225,960
Capital investment	9,375	9,337	9,311	15,573	15,536	15,510	25,603	25,505	25,403
Recurrent	34,803	69,606	15,573	122,366	140,322	158,278	172,363	186,448	200,533
Population oriented services	3,1988	46,242	62,123	77,649	76,598	77,494	94,094	88,487	85,350
Capital investment	12,250	6,968	3,447	13,567	7,316	3,149	17,438	9,685	4,516
Recurrent	19,238	39,274	58,676	64,082	69,282	74,345	76,656	78,803	80,841
Individual oriented services	81,848	78,272	83,350	87,050	85,744	85,979	97,210	93,128	90,470
Capital investment	58,149	31,312	13,422	12,262	6,160	2,841	12,605	7,473	4,052
Recurrent	23,699	46,960	69,928	74,788	79,134	83,138	84,605	85,654	86,427
<i>District, provincial and national governance and management</i>									
	15,371	28,646	42,088	48,186	52,979	57,920	67,923	73,775	80,070
Capital investment	1349	684	241	1016	514	179	2871	1451	504
Recurrent	14022	27962	418477	47170	52465	57741	65052	72324	79569
Total	173384	232103	301281	350824	371179	395182	457193	467342	481830
Capital investment	81122	48301	26421	42418	29975	21680	58518	44112	34509
Recurrent	92262	183802	274850	308406	341204	373502	398676	423229	447370
<i>Investment in USD/ per capital</i>									
Family oriented community services	2.0	3.6	5.0	6.0	6.6	7.2	8.1	8.5	9.0
Population oriented services	1.5	2.1	2.7	3.4	3.2	3.2	3.8	3.6	3.4

Source: Commissioner of Health Statement at Ehingbeti 2012

- As indicated above, the Health sector by its impact sensitivity is one in which the State will be required to play a major role in its financing for the foreseeable future. The challenge then is to find innovative ways of engaging other stakeholders in bridging the gap. There is definitely a need for an increase in the volume of private sector funding in the sector. Some of the funding strategies that will be explored include the following:
 - a) Develop multi-funding strategy to sustain delivery of services by healthcare institutions
 - b) Enact a health insurance law to regulate and supervise the practice of health insurance in the state
 - c) Structure in collaboration with HMOs and insurance companies, alternative insurance cover packages and define a minimum cover package
 - d) Develop a program to promote local production of drugs, equipment and consumables
 - e) Expand public health facilities with some capacity to provide specialised services for profit to organisations (e.g. laboratory services, sale of data to biotech companies, etc.)
 - f) Intensify engagement with Development Partners' to ascertain and ensure that their initiatives, activities and interventions are aligned with the health priorities of Lagos State
 - g) Intensify coordination of all donor activities and fostering of relationships with private sector, donor groups and development partners

9.4 Social Protection

9.5.1 Introduction

The segments of the population who require attention from social development and protection programmes are growing and include youth, women, grassroots women, widows, single parents, women living with HIV/AIDS, children, persons living with disabilities, orphaned and vulnerable children, terminally ill and older persons of over 70 years (the vulnerable). The State will through the social development and protection programmes attend to the disadvantaged members of society. LASG wants to *build a cohesive and resilient society that inspires collaboration and social responsibility among citizens and caters for these disadvantaged groups.*

9.5.2 Policy Objectives/Outcomes

1. The State has strong and stable families as foundations for development
2. Women's rights are known and respected and there are insignificant cases on gender based violence.
3. Children are protected from abuse, violence and exploitation.
4. Youth and Women are economically empowered and self-reliant as well as effectively participate in state development programmes – sports, art, culture, music and development enterprises
5. The poor and vulnerable households and children are protected from sliding into poverty and suffer irreversible welfare losses

9.5.3 Policy Targets

Women's rights and gender violence

- By 2025, Increase in participation of women in politics and decision making.
- By 2025, Domestic violence incidence will have reduced by 80%
- By 2020, there is one (1) family counselling centre in each Local Government and Local Development Area

Child Protection

- By 2025, the state would have created sufficient awareness on the knowledge and implementation of the child rights law.
- By 2020, at least 1 million vulnerable children per year are assisted under the school educational assistance and other social protection programmes.

Women and Youth Development

- By 2020, 60% of the youth and women population are economically empowered and effectively participate in state development programmes.
- By 2025, 50% of the state covered with state of the art equipped youth and sports centres strategically located in all local Government areas of the State

Poverty Reduction

- By 2025, at least one (1) million chronically poor but non-labour constrained households are engaged on productive safety nets (public works) in a predictable and consistent manner
- By 2025, 70% of micro finance funding requests granted

Vulnerability

- By 2025, there is 100% capacity utilisation of all social institutions
- By 2020, at least 1 million persons per year are assisted to get access to basic health Policy Measures

9.5.4 Policy and Programmes

The priority of the State is to provide for the needs of disadvantaged and vulnerable groups in the society. In life, generally, women and girls have fewer opportunities, lower status and less power and influence than men and boys. State action will thus be directed at promoting women's empowerment rights. Similarly, children and the physically challenged are often among the most vulnerable groups in society. Attention will also be directed at them.

Women's rights and gender violence

- Design programmes that engender engagement, self-identity, economic empowerment wealth creation, child survival, development and protection and collaboration among the youth and women and children. *This will depend on the creation of culturally strong and value-oriented family units and development of effective partnerships across stakeholder groups.* The policy will be supported by new technologies to communicate and encourage desired societal changes.
- Promote strong and stable families and an enlightened and patriotic youth and women population through improving school and other learning avenues. This will require the design of a framework and procedure for collaboration among social development partners (families, schools, churches, businesses, local governments, non-profit organisations, news media, the medical and mental health communities), for institutional reforms to reduce dysfunctional families

Child Protection

- Introduce programmes that promote child participation in decision making, protects children from abuse, violence, exploitation as well as provides basic needs for Orphans and Vulnerable children (OVC).

Women and Youth Development

- Consolidate gender and youth related policies into one piece of legislation. Policy regarding children, women and youth remains fragmented. Efforts will thus be made to consolidate the various fragments and arrive at a more comprehensive framework to facilitate youth and gender related activities.
- Provide functional, efficient and effective youth, gender, Skills Acquisition centres/Vocational training programme in strategically designated areas of the State to fully engage the youth and women

Poverty Reduction

- Develop Skills Acquisition Centres and Entrepreneurial Training Centres, promote Vocational Training programmes and Cooperative formation to benefit women and youth. Construction, renovation, training, sensitisation, campaigns, etc. of such facilities will be led by local governments/local government development areas councils or administration.

Vulnerability

- Intensify the programme to upgrade and construct new facilities for the very vulnerable groups, e.g. orphaned children, transit homes, homes/clinics for physical challenged children. For older children these homes will offer skills development and rehabilitation for those children who have become accustomed to street life and need rehabilitation. There should be at least one (1) Skills Acquisition centre per Local Governments and Local Government Development area.
- Develop a comprehensive and overarching Social Protection Policy Framework followed by Social protection income/cash transfer strategies to cater for the poor and vulnerable groups. In developing the policy care will be taken that the design and implementation of safety nets does not develop and perpetuate a

dependency syndrome. The policy will propose clear selection criteria to avoid exclusion and erroneous inclusion of the able bodied benefiting at the expense of grassroots women, widow, the terminally sick, old and the people living with disabilities. The size of the benefits should be significant to make a difference to the quality of life and coverage should be large enough to make meaningful impact. The private sector, especially pension and insurance schemes, will be invited to make the social protection schemes manageable.

- In situations where there are chronically poor but non-labour constrained households, the State will introduce productive safety nets (public works), especially in the slum upgrading and rural areas, in a predictable and consistent manner. Public works programmes will be undertaken for cash and/or agricultural inputs. Public works programmes will include infrastructure like roads, water and sanitation in the slum upgrading areas and inputs may include storage areas and fertilisers in the rural areas. In implementing the programme, care should be taken to identify client specific programmes and projects across all sectors to ensure representation of special interest.

9.5 Security and Safety

9.6.1 Introduction

Lagos State has a clearly defined security and safety plan outlined in a Security Initiative following a state-wide consensus on the need for the Security Initiative given the steep police to population ratio and the growing incidents of crime and unnecessary deaths. Provision of police is a national responsibility, which has proven inadequate for the State. Existing, though somewhat precariously is the private sector driven quasi-policing agencies such Neighbourhood Watchers, Kick Against Indiscipline (KAI) Brigades in the state which are creating some limited synergies within and amongst security agencies. Although the organised private sector is active in the security and safety sector in the form of private security agencies, the State has inadequate data and information on crime statistics. Police in Lagos State as in all other states do not display best practice and appropriate standards of policing in the discharge of their duties. There is inadequate civic education on security and safety matters and an apparent distrust between the police and citizens leading

to crimes not being reported, citizens using private (often unregulated) security firms, and taking the law into their own hands. Also Constitutional constraints exist with regards to the structure and hierarchy of police/ security and safety sector.

9.6.2 Policy Objectives/Outcomes

- *Security and safety personnel and institutions have the necessary capacity to deliver services.*
- *The public is educated on security and safety issues.*
- *Public perception of security and safety personnel is positively changed.*
- *Communities and corporate organisations are involved in security and safety delivery and management.*

9.6.3 Policy and Programmes

In order to meet the above targets the LASG will embark on a number of policy strategies and programmes, which will include building capacity to support improvements. Other strategies are listed below:

Ensure effective policing in preventing, combating and investigating crime.

- Prevent and combat specific crimes and the fear of crime through the deployment of visible policing tactics
- Collaborate with related MDAs to create safer communities across the state to prevent and combat crime through the transformation of the physical environment
- Improve the quality of criminal investigations

Build the capacity of the security and safety personnel to safeguard life and property

- Determine the capacity needs of the security sector vis-à-vis the crime patterns of the State
- Radically reform the capacity and capability of the security sector personnel to respond to the security needs of Lagosians
- Monitor and evaluate the effectiveness of strategies deployed to safeguard security of life and property in Lagos

Develop partnerships with the local communities on security and safety

- Promote community and citizen involvement in policing and security management
- Improve the quality of service delivery to victims of crime

Other general programmes are:

- Design and implement Security and safety Sector structure.
- Ensure all security and safety facilities are adequately staffed with capable people.
- Ensure maintenance of all security and safety facilities and equipment.
- Achieve structured public Security and safety (Capacity: People, Physical, Processes)
- Develop multi-funding strategy to sustain delivery of services by security and safety institutions.
- Establish baseline data as a platform for the development of a viable security and safety information system.

Finance

Nigeria spends about 3.4% of the State budget on security and safety sector while some of the countries adjudged to be relatively safer than Nigeria typically spend at least 5% of the national budget on security and safety. This means that spending will have to significantly increase to meet the Security and Safety Sector Goals for both the Lagos state government and the citizenry. In order to achieve the Security and Safety sector vision by 2025, LASG will require:

- Increasing annual spend on the Security and Safety Sector from N13.5Bn in 2008 to N53.3Bn in 2020 (in constant 2008 N, or c.6.1% of LASG total budget in 2020)
- The Security and Safety budget will be shared between the public and private sector at a ratio of 7:3
- This will result in LASG spending N37.3Bn and the private sector N16Bn in 2020

Whilst it is important to attract private investment to the Security and Safety sector, there is a limit to services the private sector can offer. A significant degree of the funding will need to come from public sources for services like crime combating, investigations and disaster management. Private sector participation is limited to areas like community policing and safety provision. In order to attract the required funding from the private sector, LASG needs to continue to design and implement innovative public-private partnerships (PPPs) in the Security and Safety Sector.

9.6 Justice

9.7.1 Introduction

The State recognises that Public order and justice sector reform are stability and growth requirements for a sub-national government and considers public order essential to security such as physical security, security of investment, and security of contract. In order to achieve these, the State government strengthened public order through the following reforms: first level court reform and administration of justice reform; enforcement of contracts including arbitration law reform; and established a security trust fund for equipping security agencies. The State also enacted Administration of Criminal Justice Law designed to reduce delays in the administration of criminal trials and re-introduced plea bargaining as a case load management tool in the administration of criminal justice. The State also reduced the population of prison inmates by introducing the community service as a non-custodial disposition method for minor offences.

9.7.2 Policy Objectives/Outcomes

- An orderly society where human rights and freedoms are enjoyed
- A society that respects rule of law
- A state that is responsive to its citizens demands and where people enjoy a fair system of justice
- A state that is not tolerant of corrupt practices

Policy Goals

- Effective and efficient justice administration system
- Promote a culture of respect for the rule of law and fundamental human rights
- Promote viable alternative dispute-resolution solutions
- Access to justice by all
- Create, attract and retain a top quality workforce
- Proactive and contemporary laws

9.7.3 Policy and Programmes

Intent, purpose and targets can only be achieved when specific strategies and programmes are identified and executed. The key strategic initiatives that will move sector to its envisioned state are:

Effective and efficient justice administration system

- Maintain sufficiency and adequacy of all physical and material court facilities and infrastructure
- Maintain sufficiency and adequacy of personnel
- Leverage technology in Justice administration and procedures
- Evaluate and create/enhance courts to address specific issues

Promote a culture of respect for the rule of law and fundamental human rights

- Monitor compliance with court orders
- Monitor prison inmates and detainees to identify unfair/illegal detention cases
- Maintain decongested prisons
- Prevent /reduce incidence of torture and forced 'confessions'

Promote viable alternative dispute-resolution solutions

- Enhance and empower ADR systems
- Position Lagos State as the hub for the arbitral resolution of commercial disputes in and beyond the West African sub-region
- Enhance the Citizens' Mediation Centre (CMC)

Access to justice by all

- Enhance Office of the Public Defender (OPD)
- Develop a pro bono system with the private sector
- Enhance the People's Advisory Centre (PAC)
- Enlighten and inform the citizenry
- Establish a directory of/access to lawyers and their areas of specialisation

Create, attract and retain a top quality workforce

- Revamp Human Capital across the sector
- Define Job responsibilities and competency requirements
- Make Lagos State the most attractive destination for the brightest and the best talents in the Justice sector
- Decentralise the Ministry of Justice

Proactive and contemporary laws

- Improve laws, procedures and practice
- Promulgate laws that promote good governance and the well-being of the citizenry

Finance

Lagos State spends about 2% of its budget on the justice sector while most developing countries that have been successful at improving their justice systems typically spend 5% of their total budget to achieve these results. In order to achieve the Justice Sector vision by 2025, the sector will need to:

- Increase LASG spending on the Justice Sector from N7.9bn in 2008 to c5% of LASG total budget in 2025
- Increase private sector involvement in justice sector programmes
- Solicit and increase funding from multilateral agencies.

LASG also needs to implement significant public-private partnerships (PPPs) in the justice sector to ensure sufficient private spending for justice programs such as legal aid services and citizens education.

Capacity Development

A key priority is to develop the capacity of the MDAs to deliver on the Law and Order sector's strategic goals and objectives. The emphasis will be on identifying gaps in capacity to be bridged predicated upon findings from capacity and skills assessments, and defining capacity and skills development requirements and migration strategies for the Sector till 2025 for effective service delivery within the sector.

Objectives of capacity development

- Identify possible ways to measure effectiveness of MDAs and Local Government Authorities in achieving their goals and objectives
- Foster ownership of developmental plans
- Ensure effective resource management
- Empowerment of MDAs in developing and implementing strategies

Chapter 10

Economic Development Pillar

Aim: A green, clean and safe city that can sustain its complex natural and man-made environment

Strategic Direction: Creating sound systems, regulations and public participation to maintain a healthy and sustainable environment that can overcome the environmental deficit and meet future challenges posed by climate change.

10.1 Pillar Dimension

By the turn of the millennium Lagos had acquired a reputation as having some of the worst environmental conditions of any comparable city in the world. It was regarded as dirty, unregulated, badly polluted and dangerous. Since that time successive administrations have placed a high premium on creating a sustainable environment and many reforms and improvements have been enacted. The changes are noticeable and are having an impact on world opinion. But, much remains to be done. Major challenges remain in terms of air, water, noise and land pollution. The problems of waste management are being tackled with vigour but a growing population means that such efforts have to be increased. The provision of clean and safe water to all inhabitants remains an issue and addressing the weakness of the State's sanitation systems remains a priority.

The majority of people in the State live in sub-standard housing often with no sanitation and no direct in-house water supply. The surrounding environment is of very poor quality and often dirty and with few amenities. Ending slum living and creating new, planned housing areas is a key priority and recognised as such by successive administrations. But it is a costly exercise that will take time. In the meantime more will need to be done to upgrade the living conditions of those forced to live in squalor.

Over and above all of the issues described above, which are common to many poor, expanding mega-cities Lagos has special environmental issues associated with the fact that a large proportion of the State is low lying and prone to flash flooding. Some of this flooding is caused by the inadequate maintenance of storm water drainage and the silting of drainage channels. The current administration has put in place a monthly clearance exercise, involving the communities in action to help ameliorate this problem. Climate change may be making the problem worse as rainfall in the past two years has exceeded long term averages. Lagos is a city that is vulnerable to climatic change that could raise the sea level and involve more violent storms. Awareness of these issues is high in Lagos and the State holds regular Climate Change summits and has educational programmes for schools and communities. But this is an issue that is likely to get worse unless global measures to reduce carbon emissions to an appropriate level are secured. Lagos will continue to make a contribution to these efforts.

10.1.1 Pillar Outcomes

Not only are all the elements of the environment interwoven, the environment as a whole is intrinsically bound up with the human activities that take place within its sphere. It is therefore crucial to the development effort that it takes place in a sustainable manner and that due regard and care is taken to repair all the past damages to the natural and man-made environments in the State and systems put in place to ensure continuing good management of natural resource base. To this end this Pillar is based upon a combination of policies that relate to protecting the quality of the natural and the man-made environment. The following are the key pillar outcomes:

- Improved health and safety of inhabitants
- Enhanced capacity to attract investment and create jobs
- A flood-free Lagos State with effective erosion control

- Control of water, air, land and noise pollution to international standards
- Sanitation that meet the needs of all without polluting groundwater
- Full coverage of approved Master Plans and Neighbourhood Plans
- All sub-standard housing improved or replaced
- The natural ecology conserved as far as possible
- The effects of climate change mitigated as far as possible

10.2 Flooding and Erosion

Whilst flooding will always present a problem in Lagos State by virtue of its low lying character it is essential to prevent the flooding of homes, businesses, roads and other essential parts of the urban structure. The key to this lies in the creation and regular maintenance of adequate drainage channels. Additional measures may be needed to control flood tides but this is very costly and will require special consideration under issues connected to climate change.

10.2.1 Policy Objectives/Outcomes

- Effective control on the incidence of flooding and erosion in Lagos State
- An adequate and world class network of drainage facilities that are regularly maintained

10.2.2 Policy Targets

- Reduce incidence of flooding in Lagos State from 40% to 20% of urbanised and semi-urbanised areas of Lagos by 2015 and eliminate all by 2025
- Develop a Storm Water Drainage Master Plan for the entire Lagos and implement by 2025.
- Develop a regulatory framework for wetlands management in order to track and regulate land use pattern within approximately 10,000 ha of Lagos wetlands to prevent erosion, storm water drainage channel blockages, encroachments and contraventions
- Sustain, Improve and Promote the Involvement of Private - Public - Partnership in the areas of Restoration of Urban Storm-water lines through the construction and reclamation of Canal

Bank Roads and Erection of wire-mesh fences on Drainage Channel set-backs.

- Sustain the Continuous Monitoring of Flooding Problems through the establishment of Flood Disaster Early Warning and Advocacy Mechanisms through the drainage offices within the 20 LGAs and 37 LDCs.
- Develop Institutional frameworks and community involvement for the upgrade, maintenance and de-silting of primary and secondary urban storm-water drainage infrastructure networks
- Develop frameworks for communication with stakeholders and institutions involved in storm-water infrastructure management.
- Develop policy and guidelines on storm-water infrastructure management

10.2.3 Policies and Strategies

Research and Planning

The State shall develop an integrated and comprehensive Drainage System and Erosion Prevention Master Plan with a phased Implementation Plan. As part of this exercise the State will conduct an updated inventory of existing drainage channels and assess the future drainage channel requirements of the State. The State will also establish a constant drainage facilities surveillance using modern technologies.

Improved and Maintained Drainage Network

The State shall ensure that there is an adequate and quality network of drainage facilities that are regularly maintained. They will prevent the right of way of drainage infrastructure (primary, secondary and tertiary drainage channels) from obstruction by physical developments on wetlands and coastal areas. There will be a reclamation approach to all canal bank roads and coastline areas in the State and where necessary settlements in these areas will be relocated. The State will maintain a programme to construct and upgrade drainage channels (primary, secondary and tertiary) to world class standard (conduit drains and lined channels) to meet the state needs.

Public Awareness and Involvement

The State will maintain reliable information to facilitate proactive flood management and information dissemination to the public. It will also

enhance public awareness on the danger of indiscriminate dumping of refuse and obstruction of drainage channels. Local Authorities and local communities will be involved in regular work to keep all drainage channels clear of rubbish and other blockages.

10.3 Pollution

Pollution control is a critical factor in the drive to create a safe and sustainable environment. Whilst all human activities tend to produce pollution modern urban life magnifies the problem considerably due to mass transport, industrial activity and increased consumption. The sheer size of a mega city like Lagos means that pollution can quickly get out of control and make life all but unbearable. Controlling pollution in an effective manner requires both sensible and achievable targets for pollution reduction as well as good, consistent and fair enforcement. The broad principle that the polluter should pay for the pollution that they create is an internationally accepted one. It is founded on the notion that if you have to bear the cost of pollution there is a strong incentive to reduce such costs by deploying cleaner technologies. But, such a position also requires both public awareness campaigns and a facilitation of technology change. The issue of sanitation and waste management also present problems of pollution but these are dealt with separately below.

10.3.1 Policy Objectives/Outcomes

- Environment pollution brought within safe limits in Lagos State
- The use of environment friendly materials in all productive processes institutionalised
- The principle that the “polluter pays” as a cost recovery method and a means to reduce pollution adopted.

10.3.2 Policy Targets

- To reduce industrial, vehicular and commercial emissions to comply with WHO Air Quality Control Guidelines by 2025
- To ensure that 50% of industries in the State install functional and efficient effluent treatment plants

10.3.3 Policies and Strategies

Review

The State shall keep existing environmental pollution control laws and

regulation under regular review and seek to align these with internally agreed standards for large cities.

Monitor and Enforce

The State shall monitor and enforce compliance with environment pollution control laws and regulation and establish and enforce a standardised procedure for the treatment and disposal of wastes (solid, gaseous, liquid and hazardous) generated from industrial, commercial, agricultural and other activities

Public Awareness

The State shall organise regular forums (meetings, seminars, lectures, focus group discussions) with stakeholders on the use of environment friendly materials in production.

10.4 Solid Waste Management

The 20 million inhabitants of Lagos produce a vast amount of solid waste in the form of paper, cardboard, plastic, metal, food and other materials. Traditionally, where possible, this has been collected and dumped in landfill sites. The fact that much of the disposed material can be re-cycled led to an army of scavengers on many landfill sites in Lagos earning a difficult and potentially hazardous livelihood from such activity. Lagos is now transforming its waste management systems so that re-cycling can be achieved more effectively and more safely. This can be an important source of jobs and an important area for private sector involvement. Landfill sites also produce potential energy from trapped gases and this too can be exploited. A modern system of waste management is based upon capturing all the benefits of waste, including energy spin-offs and trying to eliminate all the negative aspects. An efficient system of waste collection is an integral part of this approach and helps to create a much improved environment, free of waste and refuse, which will aid inward investment.

10.4.1 Policy Objectives/Outcomes

- Effective and efficient waste management achieved throughout Lagos State
- Involve the private sector to play a key role in waste management by providing an enabling environment (appropriate regulation,

availability of quality waste management infrastructure and fiscal incentives)

- Ensure availability of adequate and state-of-the-art infrastructure for waste management
- Ensure wide spread waste to wealth generation practices in Lagos State
- Intensify mass public awareness of good waste management practices through radio jingles, posters, billboards etc

10.4.2 Policy Targets

- Attracting private sector partners to fulfil plans to establish 20 TLS by 2025
- Extending the street cleaning beyond the main highways into all suburbs, especially the poorer areas in phases by 2020.
- Improve on efficiency of waste collection by 80% in the state
- Increase sanitary landfill from 1 to 4 by 2013
- Increase no of transfer loading stations to 12 by 2013
- Upgrading of dumpsites to landfill sites by 2013
- Increase no. of registered clinical facilities and collectors of medical waste by 2013
- Improve refuse collection within the State's shoreline by 2013
- Increase collection to 70% of the shoreline by 2013
- Reduction of illegal dumpsites in the State
- Remove all illegal dumpsites by 2013
- Improve on solid waste sorting by 50% by 2013

10.4.3 Policies and Strategies

Infrastructure

The State shall provide adequate and state of the art infrastructure for waste management (sanitary landfill sites, landfill compactors, transfer loading stations (TLS) equipped with platforms sorting bays, trucks, and gulley emptying equipment. It shall ensure the provision of adequate quantity and quality of waste collection materials (refuse bags, Dino and mammoth bins)

Re-cycling

The State shall institute an effective cost recovery system for waste

management in Lagos State. The State shall promote re-cycling in the State by facilitating the use of renewable energy from landfill sites, constructing a recycling plant, sawdust brick plant and a composting plant in each of the five historic areas (IBILE) of Lagos State and provide incentives to industries to use the products of waste to wealth activities in production. It will further construct junk cars/vehicles crushing plants at strategic locations and intensify/re-engineer the pure water sachet and plastic buy-back programme.

Public Awareness and Promotion

The State shall organise regular stakeholders forums at LGA levels for community development associations and waste operators for a better appreciation of roles and responsibilities. A culture of cleanliness, personal hygiene and sanitation will be encouraged in the people of Lagos State.

The State will mobilise community and resident associations for proper cleaning of their environment and institute incentives for cleanliness, personal hygiene and sanitation at the individuals, corporate, community and LGA levels.

Information, Monitoring and Enforcement

The State shall intensify monitoring and enforcement to Institutionalise zero tolerance on indiscriminate discharge of waste into the environment and conduct periodic environment and social impact assessment of solid waste landfill sites.

Training

The State will provide appropriate training for private sector operators to enhance their performance on solid & liquid waste management.

10.5 Sanitation

Issues of water and sanitation generally go together but the provision of bulk water has been dealt with under the Infrastructure Pillar. Sanitation reticulation is a very weak aspect of the Lagos environment and requires considerable resources to overcome the accumulated problem of not establishing robust systems at an earlier stage of urban development.

Much of the urban environment is not effectively served with good sanitation reticulated systems and is in urgent need of major investment.

10.5.1 Policy Objectives/Outcomes

- Ensure effective and efficient sanitation management throughout Lagos State
- Seek PPP projects to upgrade and install new Sewage Treatment Plants and associated reticulation
- Develop a long term plan to eradicate the use of septic tanks in all low lying areas

10.5.2 Policy Targets

- To put in place effective institutional framework for sustainable sewage infrastructure by 2013
- To have sewage treatment facilities in the State by year 2013 with full coverage by 2025
- Encouragement of private investment in waste water management through enabling environment and appropriate incentives such as tax relief, tax holiday etc
- Introduction of waste water management charges throughout the state for sustainability of infrastructure in the sector.
- Process 500kg of sludge and 60% of 100,000 litres of effluent by 2013
- Enlighten the general public on the adverse effects of poor handling of sewage

10.5.3 Policies and Strategies

Sewage Strategy

The State will Implement the Sustainable Sewage and Sanitation Strategy Policy (SSSSP) and develop infrastructure and resource investment in waste water management at all tiers of government.

Legal Frameworks

The State will develop an appropriate legal framework for sustainable wastewater management.

Public Toilets

The State will provide decent and functional public toilets at all strategic locations/public places (markets, motor parks, recreational parks) and enlighten the public on their use and maintenance.

10.6 The Built Environment

A built environment that is clean, green, safe, attractive and organised can bring many benefits, not least the improved health of the inhabitants. But, there are also many economic benefits as such an environment is attractive to both business and tourists. The concept of sustainability is vital to ensure that all development takes place in a way that is the least harmful to communities and health now and in the future. Over 2,600 communities and over 100 slums characterise Lagos State's physical landscape, posing challenges for orderly physical growth and sustainable urban development.

10.6.1 Policy Objectives/Outcomes

- A beautiful and aesthetic Lagos State
- A fully functional and effective urban & rural planning and development system
- Cultural diversity in urban and rural development activities
- Dynamic linkages between the rural communities and urban centers

10.6.2 Policy Targets

- To commission and complete a new Regional Master Plan for Lagos State by 2015
- To have District Master Plans in place by 2015
- To have a complete coverage of Neighbourhood Plans in place by 2020
- Access to basic infrastructure, utilities & services to be 15 minutes walking distance
- A 20% reduction in population density
- To establish recreational parks in 25% of the 57 LG/LDCs in the State by 2015 and thereafter complete all additional parks by 2025
- To ensure proper maintenance of the 6 existing recreational parks state-wide and thereafter of all newly completed parks.
- To attain the planting of at least 3 million trees state-wide by 2013

- and ensure the landscaping and beautification of all identified open spaces, road verges, median and lay-bys
- To landscape and beautify other identified sites at the rate of 20 per year
- To establish 5 plant nurseries with capacity for 500,000 stocks of seedlings for year
- To partner with Private Sector to brand 25% of landscaped sites to ensure adequate maintenance
- Promote 15 new Growth Poles/Corridors to accommodate the future expansion of the city

10.6.3 Policies and Strategies

Hierarchy of Physical Plans

The State shall establish a hierarchy of physical plans for the whole state, with a Regional Master Plan at the apex, District Master Plans and Neighbourhood Development Plans. Specific areas shall also have statutory layout plans.

Growth Poles and Corridors

The State will utilise the growth pole and corridor concepts in the future expansion of the city.

Slum Clearance

The State will plan for the clearance of the worst slum areas and upgrading of the remaining older housing areas in Neighbourhood Plans.

Accessible Transport

The State will aim to provide all neighbourhoods with accessible transport infrastructure.

Cultural Heritage

The State will act to preserve the rural cultural heritage and historic sites within Lagos.

Parks and Landscaping

The State will plan for and establish adequate and functional public parks and gardens in all areas, working closely with the 57 local authorities. It will also plant and maintain trees, flowers, grass and other natural ornaments in all open spaces in Lagos State involving the private sector where possible.

Public Participation

Public participation involving engagement with all relevant stakeholders will be maintained for all levels of planning. Information, Monitoring

Planning shall be based upon sound research and regular monitoring and review. The development of GIS mapping shall be maintained with a cost recovery element.

Capacity Building

The needs of an effective town planning system shall be assessed and capacity enhanced where necessary.

Planning Regulations

There shall be a rigorous enforcement of town planning regulations with an effective and simplified system of regulation, control and monitoring of outdoor advertising and signage.

10.7 Climate Change

Climate change poses special threats to Lagos because of its low lying character and the enhanced possibilities of flooding and storm damage. Sensitising the public to the risks of climate change and the need to change behaviour and outlook on this issue are central. Responding to the challenge of climate change will be the responsibility of all sectors of society and efforts will be made to lead, coordinate and manage these responses. This section links closely to other sections in this Chapter such as the reduction of pollution, effective waste management and so on as all these factors contribute to establishing and conserving a healthy environment with a rich bio-diversity that is more resilient to change.

10.7.1 Policy Objectives/Outcomes

- A local population sensitised to the problems posed by climate change and adopting behaviours and actions that assist in mitigating its worst effects
- A clear and comprehensive State Framework on Climate Change aimed at building resilience and adaptive capacity of for all stakeholders to cope with major changes and consequences of climate change
- A balanced ecology, rich in bio-diversity that is protected, conserved and adapted in a sustainable manner

10.7.2 Policy Targets

- To produce a State Policy Framework on Climate Change as soon as possible

- To continue to organise State Summits on Climate Change
- To organise annual Governor's Sessions on Climate Change
- To conduct a study on the vulnerability level of Lagos State to Sea level rise and develop appropriate mitigation measures and emergency procedures for dealing with inundations.

10.7.3 Policies and Strategies

Climate Change Framework

The State shall adopt a clear and comprehensive State Framework on Climate Change, aimed at building resilience and adaptive capacity of for all stakeholders to cope with major changes and consequences of climate change.

Action on Climate Change

The State will continue to organise State Summits on Climate Change and annual Governors Sessions on Climate Change.

The State will seek to reduce the level of greenhouse gas in the atmosphere by: reducing vehicular emissions through developing mass transit systems and more effective enforcement; and promoting the use of renewable forms of energy. The LASG will also encourage manufacturing industries to convert from AGO to gas in their operations and embark on the use of green equipment, such as propane-powered forklifts and wind-powered extractor fans. The State will also develop a biomass utilisation project for the Okobaba sawmills.

Sensitised Population

The State will sensitise the local population to the problems posed by climate change and the need to adopt behaviours and actions that assist in mitigating its worst effects

Conservation

The State will implement the report of the study on the state of all wetlands. It will also commence the restoration of lost flora and fauna in the State and conserve wildlife, endanger species and the ecosystems in Lagos State.

The State will also Identify and develop historical sites and natural monuments for aesthetic purposes.

10.8 Environmental Management

Care for the Environment is a matter for all sectors, public, private and civic and should actively involve local communities. In terms of management, involving regulation, planning and oversight the key responsibility falls on the Ministry of Environmental Services (MES). However, all the Environmental State Agencies that falls within the purview of the Ministry, including LAWMA and LASEPA also play a critical management role.

10.8.1 Policy Objectives/Outcome

- Efficient and effective management of the Environment sector of Lagos State

10.8.2 Policy Targets

- 95% compliance with environmental sector laws and regulations
- Comprehensive, effective and up-to-date environment sector M & E system
- Access to sector data is easy and robust
- Volume of waste to wealth/energy activities in the State is trebled

10.8.3 Policies and Strategies

Environmental Policies and Regulations

The State will ensure that appropriate environmental policies and regulations and their effective implementation and enforcement are in place.

Capacity Building

The State will build a highly skilful and motivated environment workforce. In pursuing this they will carry out staff audit and skill gaps analysis with a training need analysis. A comprehensive training programme will be developed and implemented.

Information and Monitoring

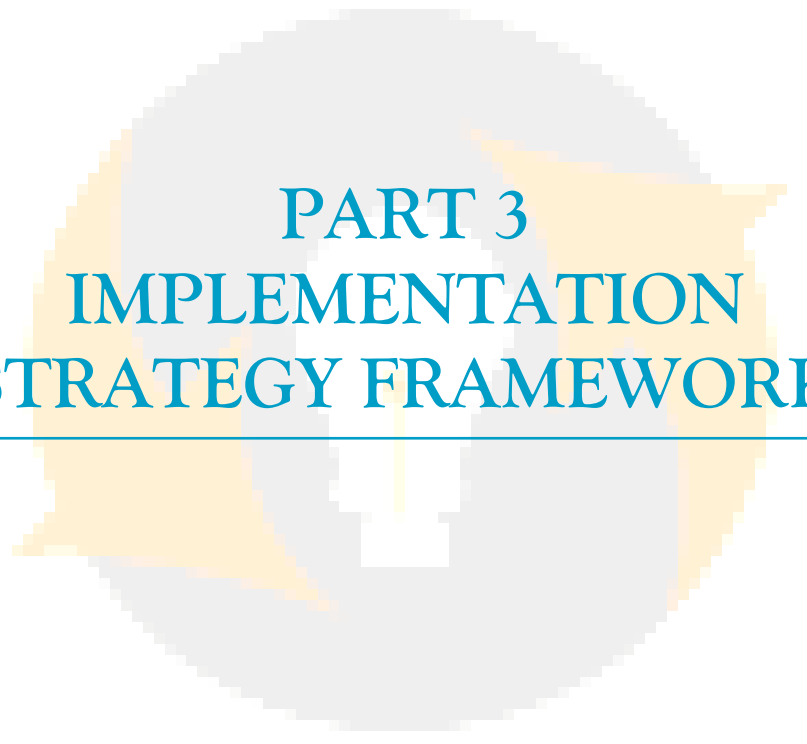
The State will undertake effective environment sector data management (data collection, analysis, storage, retrieval and usage) and entrench

effective monitoring and evaluation systems. The State will keep under review the existing environment sector policies and regulations and develop new ones, if appropriate. It will also monitor and evaluate the effectiveness of policy implementation, laws and regulations.

Raising Public Awareness

The State will promote the concept of environmental friendliness as a culture of the general populace and conduct public enlightenment on environment laws and regulation. It will also involve stakeholders in environment policy formulation and implementation.





PART 3 IMPLEMENTATION STRATEGY FRAMEWORK

Chapter 11

Finance and Financial Management

Aim: To create enough money to finance attainment of the State Vision, Strategy and Policies and to meet the needs of the citizens through balanced annual budgets.

Strategic Direction: Broadened revenue base, increased IGR and FDI, fiscal discipline, transparency and accountability in public financial management, human and organisation capacity to manage resources.

11.1 Overview

The previous chapters have presented the policies and strategies for achieving the State Vision. The Vision is to transform Lagos into Africa's model megacity and global, economic and financial hub that is safe, secure, functional and productive. The transformation is to be achieved through poverty eradication and sustainable economic growth led by infrastructural renewal and development. Vision and strategy, policies and programmes alone are not enough. The State needs to create the means to achieve these. Other than governance and capacity development issues discussed in the next chapter, the State needs to attract the necessary investment for poverty alleviation and employment generation and mobilise resources to finance the huge plan requirements. The State needs to sustain the investment made. It needs to manage available resources to sustain the interests and commitment the citizens

have towards paying taxes. These are activities that have fiscal and monetary implications, some outside the control of the State as they involve Federal Government policies and strategies.

The purpose of this chapter is to present the steps the State will take to create enough money to finance attainment of the State Vision, Strategy and Policies and to meet the needs of the citizens through balanced annual budgets. There will be challenges to be met but in each challenge the State has found opportunities.

11.2 Policy Objectives/Outcomes

1. The State has the money/financing ability to implement the plan
2. The State Administration has the human and organisational capacity in finance (including performance management approaches) required to implement the plan i.e. deliver services
3. The State budgeting, planning and coordination system is responsive yet realistic.
4. The Government financial administration has in-built accountability mechanisms
5. State House of Assembly has the capacity to read and comment on public accounts.

11.3 Investment and Financing Requirements

It is not possible to compute accurate financial projections for a long term plan of this nature, yet it is very important to grasp the broad scale of investment and funding required over the plan period. It is important to assess the extent to which the State's financial sector and budget can respond to the demands that will be placed on it, including the ability of the State to meet some of the costs from its own budget and how much needs to be raised through partnerships with others such as the private sector and international agencies. Using the 2009 Strategic Management Framework (SMF) exercise, which was supported by Price Waterhouse Coopers, it is possible to develop a notion of the level of investment and scale of capital expenditure that would be required to meet the State Vision and Strategy.

11.3.1 Overall Costs of Meeting the Vision

Between 2012 and 2025, the State Development Plan will require capital

investment into the economy of many trillions of Naira. There will be additional expected costs for running the Government. An outline of the requirements for each sector is described in the paragraphs below. *(It must be stressed that the purpose of these figures is to provide an idea of the scope of the LSDP and the approximate scale of financial requirements if the Vision is to be fulfilled. They are not estimates of properly costed works.)*

Much more work will be required to achieve a more accurate costing, updating the work done in the 2009 SMF exercise and part of this is expected to be achieved through the review and up-dating of the Medium Term sector Strategies (MTSS). Another cautionary note is that the figures presented do not take account of inflation, nor do they cover new schemes that have been developed since the 2009 SMF exercise and are currently being implemented. Moreover, the costs included in 2009 do not make a clear distinction between Capital and Recurrent expenditure estimates, nor between public and private expenditures. However, in the LSDP it should be assumed that all figures are for capital items. Since the expenditures in the Infrastructure and Social Development Pillars are largely public expenditure-led, these figures have rather more substance.

11.3.2 Sector cost estimates

Economic Growth

The State aims at harnessing public and private investment to create a strong, mixed sector economy that can provide jobs for all and create the base for financing infrastructure, expanding social services and achieving environmental sustainability. There are more than 20 million people living in Lagos and these need jobs and homes. The State has to establish an environment conducive to stimulating development that allows businesses to thrive and supports the creation and supply of jobs and homes. The scale of economic activity is matched by no other State in Nigeria. There will be a need to create at least an additional 3 million jobs in the State over the next 15 years if more people of working age are to be brought into productive employment and those unemployed or under-employed are to be reduced. Assuming a rough and ready cost per job figure of N2 million this would require N6 trillion (million million) investment, of which approximately half should be in manufacturing. Major investment will be required in the Agriculture sector to ensure all year round availability of affordable, safe and nutritious food and contribute significantly to the achievement of economic growth and

social wellbeing throughout the State. Further expenditure is needed to transform the State into a preferred tourism destination in Africa through establishing sufficient number of innovative and standard tourist attractions that cater for the needs of at least 15 million tourists to the State annually. The State will also contribute to the establishment of business incubator centres (e-centres and physical centres) to provide a range of entrepreneurial business needs, from conceptual development to start-up through to profit and growth. This obviously needs to be complemented and strengthened by micro-credit organisations that service the SME/Informal sector.

In terms of housing investment the figures are similarly massive. There are no clear figures for the current cost of housing units at different levels but assuming a low density housing unit costs N2 million, a medium density unit N 4 million and a low density unit N6 million then the costs of each sector over a 15 year period might be in the order of: high density N6 trillion; medium density N4 trillion; and low density N3 trillion, or N13 trillion in total. Much of this investment will come from the private sector but the State will be expected to make important contributions.

Infrastructure, Social Development and Environment Costs

Infrastructural and Social Development requirements will be equally substantive. Current estimates indicate that LASG will need a minimum of 15,000MW of power generating capacity to position Lagos City as Africa's Mega City of choice and place Lagos City amongst the most promising cities in the emerging economies. Building this capacity requires a capital cost of over N2,000 billion. The State will need to increase its spending on the Transportation Sector from N20 Billion in 2008 to N 5,000 Billion by 2025. To achieve the Water Sector objectives of supplying every citizen with potable water, the State will require increased spending on the Sector from annual spending of N9.7 billion in 2008 to N220 billion by 2025. For the State to have a reliable and accessible telecommunication services by 2025, it will need an investment of N1,700 billion of which N150 billion will be State expenditure on regulatory services and basic support infrastructure. In Social Development priority has been placed on education. In order to respond to the educational challenges the State will need to increase its spending on education from the present N40 billion to N140 billion per annum by 2025. Health contributions will amount to N350 billion per annum by 2025. Annual spending on the Social Development and

Security sub-sectors is expected to reach N110 billion by 2025.

Spending on the Environment will also require major investment over the plan period. The current State budget for all Environmental protection is N25.1 billion. This has to cover construction/dredging/rehabilitation of drains and drainage channels, sewage treatment plants, additional equipment for LAWMA, the provision of environmentally friendly toilets in schools and the greening and beautification of public parks and spaces. Assuming a similar level of state expenditure over 15 years this will accumulate to a need of N375 billion. But this will not realise all the aspects of the Vision for the Environment. This will require leveraging in a considerable contribution from the private sector through PPPs and other initiatives.

11.4 Revenue Projections

The level of resources likely to be available to finance the above expenditure will be determined by:

- Internal revenue which will derive from two sources: Internally Generated Revenue (IGR) which is the amount of resources that can be raised internally by the Lagos Internal Revenue Service through taxes and other revenue generating agencies; and, dedicated revenue such as charges from services provided by MDAs.
- Federal Transfers derived from Statutory Allocations and Value Added Tax. It is expected to contribute 25 -27% of the total revenue accrued to the State per annum.
- Capital Receipts based on donor assistance. The State anticipates an enhanced programme assistance, which will be sourced from international donor agencies.
- Loans and Bonds, both internal and external, to be used to finance the budget deficit.

Based on current budget assumptions, the following are the projections for the State revenue up to 2025.

Table 17: Projected State Revenue 2011-2025 (₦ Millions)

Source	Millions Naira				
	2011 Budget	2012 Budget	2015 Budget	2020 Budget	2025 Budget
Internal Revenue	262,620	280,914	341,369	432,284	511,709
- IGR	192,000	211,000	264,091	345,353	413,978
- Dedicated Revenue	26,000	28,439	30,375	35,362	39,755
- Other revenue	44,520	41,475	46,903	51,569	57,976
Federal Transfers	89,700	118,920	149,210	168,405	199,819
- Statutory Allocations	46,000	57,662	77,969	88,437	104,042
- VAT	43,700	52,496	59,368	66,810	79,517
- Extra Ord. Rev		8,762	11,873	13,158	16,260
Capital Receipts	19,261	25,677	20,758	23,863	28,495
Grants	4,194	3,468	2,465	3,608	5,496
Investment funds	275	289	390	571	869
Other Capital Receipts	14,792	21,920	17,903	19,685	22,130
Financing	150,569	145,593	88,791	70,735	35,758
External Loans	26,999	27,664	-	-	-
Internal Loans	33,570	37,929	38,735	30,735	15,758
Bond Issue	60,000	50,000	20,000	15,000	-
Development Policy Operations	30,000	30,000	30,000	25,000	20,000
TOTAL	352,320	399,834	490,579	600,689	711,528

Source: MEPB 2012

Despite the impressive growth in the IGR and consistent levels of Federal transfers over the last few years, a significant budget funding gap is inevitable in view of the huge investment, infrastructure, environment and social development requirements. Revenue from IGR will effectively not even satisfy the Social Development and Environment sectors, let alone make a dent on the infrastructure and support the productive sector. The State has therefore decided that it will seek innovative ways of increasing this revenue accompanied by improvements in the efficiency in budget management and engagement of other stakeholders in bridging the gap between projected revenue and expenditure. Given this challenge, all Sectors and MDAs will be expected to adjust their targets according to resource availability and changes but with this plan targets

remaining in focus. Adjustments will be made through the annual reviews of MTSS.

11.5 Financing Options and Direction

11.5.1 Internal Generated Revenue

There has been massive increase in amounts generated through the Internal Generated Revenue exercises over the last few years. The IGR contribution to the State budget has risen from about half a billion a month in 2006 to about 18 billion a month in 2012. There have been a number of factors that explain such a change. First the State's Tax collection strategy greatly improved. Through ceaseless campaigns and detailed research more tax payers were found and the amounts collected increased. Secondly, this was accompanied by greater transparency in the usage and management of the tax revenue. As the State Administration demonstrated to the public how their taxes were used and the public could see improvements in the level of services provided, more people came forward and volunteered to be tax payers. Thirdly, the economy was growing and is still growing and with it has been the broadening of the tax base and increase in the number of tax payers.

The State will seek to maximise the above factors during this plan period. The State will continue with its hard investment drive so as to increase the IGR potential. It will continue nursing the budding and growing relationship with tax payers. The State is set to further improve transparency in the way the tax money is used through publishing accounts, scrutiny of budget and accounts by Public Accounts Committee. Members of the State House of Assembly will also be facilitated to find better methods to consult their constituencies and to hold the Executive to account. This will extend to local governments whose current weak capacity will be enhanced so that they improve on service delivery and in the process encourage citizens to understand and play their constituent role in service delivery through paying taxes and looking after public facilities.

11.5.2 Lagos State Debt Issuance Programme

The State will be extending its successful and current Multi-tranche Debt Issuance Programme, which was designed and introduced to support the infrastructure development agenda. However, it will want to manage this debt in such a way that it does not lead the State to increased borrowing

that will in turn lead the State to mortgaging its future.

The Programme, valued at N275 billion and backed by the LASG bonds, notes and other Securities Issuance Law has given the State access to the capital markets to raise debt to finance key infrastructure projects and also refinance short term loans. It had two tranches issued in 2009 and 2010. In order to provide security to bond holders, a consolidated Debt Service Account was created into which 15 percent of the State's IGR is transferred monthly to repay interest and principal. In January 2009, a 5-year N50 billion redeemable bond was issued at a coupon rate of 13% as the 1st tranche of the Programme. A 116.9% subscription level was achieved and all the oversubscribed funds were refunded. In April 2010, the 2nd tranche was issued as a 7-year N50 billion redeemable bond and the coupon rate of 10% was determined by a book build exercise. A 349% subscription level of approximately N174.35 billion was achieved because of the State's compelling investment story and strong credit ratings. The State has achieved an A+ rating from Augusto & Co, an A+ from GCR, an AAA (National Long-Term Rating), BB- (Long-Term Foreign and Local Currency Rating) and B (Short-Term Rating) from Fitch Ratings. It is the only State that has so far been able to secure such level of investor confidence in the entire country. A total of N57.5 billion was allotted to investors since the State is allowed, by regulation, to absorb an additional 15% of the Issue size as over-subscription.

Having successfully issued medium-term bonds in the national capital market and wanting to enhance the quantity as well as the quality of physical infrastructure to keep up with increasing demand due to population growth and expectations from people, the State will thus be progressively extending the maturity of its bonds so as to establish a yield curve to provide for this large-scale infrastructure financing much beyond fiscal transfers and IGRs. The national debt market is beginning to see maturities stretch and demand for longer tenured instruments increase due to the availability of long-term funds, largely from Pension Fund Pools. This should then lead to growth in projected revenue.

The State anticipates a number of challenges in following this Debt Issuance route but is confident that each of the challenges can be overcome. Key developments in the financial market as well as some regulatory challenges have in the past hindered the State's ability to take

full advantage of the debt market. For example, as a result of the global financial crisis in 2008 which led to the weakened financial strength of banks and increasing levels of default, private financial institutions became more averse to committing long-term capital and inadequate infrastructure in the capital market affected the development of an efficient secondary market. When the Programme commenced, the regulatory environment was not favourable to sub-national bonds as compared to Federal Government of Nigeria (FGN) bonds. State governments can only borrow a maximum of 50% of its previous year's revenue rather than based on the State's ability to generate sufficient on going resources to service debt issued, renegotiations or significant fiscal adjustment. This restriction applies regardless of how much of its revenues the State wants to devote to the funding of infrastructure, the State's ability to issue its bonds at reasonable interest rates and/or the fact that some projects are self-financing. Statutory limits also exist for investments of major investors (banks, financial institutions and pension fund administrators) in sub-national and corporate bonds. A sub-national issuer is required to execute an Irrevocable Standing Payment Order (ISPO) authorising the Accountant General of the Federation to deduct the principal and coupon payments from the State's statutory allocation in the event of default.

The above challenges will be mitigated by several engagements the State has had with the Governor of the Central Bank of Nigeria (CBN) as well as the Bankers' Committee. In December 2009, CBN approved the use of their cash settlement platform for the trading of sub-national and corporate bonds. This was previously enjoyed only by FGN Bonds. The bonds already issued by the State in the 1st and 2nd tranches can now be traded in the secondary market which will improve liquidity. The improved liquidity is expected to result in increased appetite for bonds by investors generally and increased attractiveness of further issuances by the State. With improved liquidity of the bonds, some of the risks borne by bond holders will be eliminated thus allowing the State to issue bonds at lower coupon rates. In March 2010, CBN granted liquidity status to sub-national bonds subject to their meeting specified eligibility criteria. The State's bonds that met the eligibility criteria qualified as liquid assets for liquidity ratio calculation for banks. This means that banks, the major players in the debt capital markets, can increase their investments in sub-national bonds. The Securities and Exchange Commission (SEC) waived

the requirement for an ISPO for the 2nd tranche of the Programme. Lagos State is the first State to receive such a waiver from the SEC. The basis for granting such a waiver is the State's impressive IGR. This will no doubt improve the opportunities for future debt issuance by the State. The SEC is thus currently reviewing its rules as regards the borrowing limit for state governments.

The State also has an agreement in place with the World Bank for a Development Policy Operation (DPO). One of the benefits of the DPO is the provision of Policy-Based Guarantees (PBG) to extend the tenures and enhance the rating of debt instruments issued by the State. The PBG offered by the World Bank would cover private lenders against the risk of debt service default by LASG. The PBG will assist the State Government in extending the tenure of bonds issued thereby conserving cash and reducing the interest cost on its bonds. Extending the maturity of debt instruments will help in matching the liabilities with expected revenues from projects. The World Bank also provides credit enhancement to improve the rating of debt instruments issued by the State. The World Bank PBG will affect the overall credibility of the State in the capital market, creating a precedent and track record for future debt issuances. DPO has its own conditionalities and challenges but the State is responding well as will be shown under the Financial Management section.

11.5.3 Multi-lateral agencies financing

Financing from multilateral agencies has complemented the Debt Issuance Programme and helped to deepen the financial base of the State, especially in social sectors such as education, health and urban renewal. The bulk of the multilateral assistance has been typically structured as long-term loans with a moratorium and at significantly lower rates than commercial loans and thus very attractive. Some of the assistance especially to the social services sectors has come as grants that require no repayments but sound State financial management and accounting expectation. The State will be negotiating for the extension and restructuring of the available multilateral assistance in order to respond to the plan needs and requirements. The World Bank and the French Development Agency (AFD) have been the key supporters in this field.

US\$200million is a good example of the successful multilateral assistance. It is the largest World Bank direct funding for a State government to date. It was obtained to increase sustainable access to basic urban services through investments in critical infrastructure. One of its components is the Lagos Urban Transport Project I (\$100m). Funding was also obtained from the French Development Agency for the development of an efficient transportation system. There are other types of on-going assistance in the education, health and environmental sectors.

The Lagos DPO mentioned under the Debt Issuance section is also another form of multilateral assistance. It is a direct budget support being granted by the World Bank for three consecutive years in the sum of up to \$200 million annually. DPOs provide rapid financial assistance to allow the State to deal with actual or anticipated development financing needs. The DPO provides direct budget support to the State by the implementation of a medium-term programme of policy reforms through a series of annual operational plans. The policy reforms will strengthen public financial management, improve the investment climate in Lagos State and diversify the economy and are discussed in the next section.

Other development partners that support Lagos State with grants support include: United Nations Children Fund (UNICEF), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Development Assistance Framework (UNDAF), Department for International Development (DFID) Japan International Cooperation Agency (JICA) and the Korea International Cooperation Agency (KOICA).

11.5.4 Public-Private Partnership

The State's Public-Private Partnership (PPP) initiative has been an effective way of accelerating the delivery of infrastructure and stimulating economic growth. Accordingly, the PPP programme will be carefully restructured to encourage the flow of Foreign Direct Investment (FDI) and private capital into the State to complement the effort of the State's agenda of poverty alleviation and urban renewal through infrastructural development.

Current PPP Initiatives

The State's PPP strategy has in the past created several opportunities for

investors to realise a reasonable return on investment while the people of Lagos receive reliable and efficient services. The PPP success stories include the following projects:

- a) Bus Rapid Transit: Private sector financed high capacity buses plying major routes on dedicated bus lanes and improving urban mobility;
- b) Lekki-Epe Expressway (Nigeria's first ever toll road concession): 30-year concession for the expansion, operation and maintenance of the Lekki-Epe Expressway;
- c) Akute Power Project: PPP between O and O Gas & Power and Lagos Water Corporation (LWC) to build and operate 12.15MW natural gas-fuelled power generating plant to supply electricity to LWC water plants at Iju and Adiyin. The reliable power supply has increased the water produced by the two water plants.
- d) Island Power Project: which powers selected hospitals, State House, Marina and powering street lights of over 20 streets in Lagos Island.

Legal Framework for PPPs

A PPP office was set up and exists to focus on concessioning and LASG's collaboration with the private sector as well as ensuring all the required policies and incentives are in place to attract local and foreign investment. State laws have been strengthened to create an enabling business environment for private sector-led growth, increase the attractiveness and viability of different infrastructure projects, as well as to ensure more efficient regulation in diverse sectors. These laws include:

- Lagos State Roads (PSP) Law, 2007 (roads, bridges & highways)
- Lagos Metropolitan Area Transport Authority (LAMATA) Law 2007 (rail, buses and taxis)
- Lagos State Waterways Authority Law, 2008 (water transportation services)
- Lagos State Water Sector Law, 2004 (public waterworks)
- Lagos State Urban and Regional Planning Law, 2005
- Public-Private Partnership Law 2011.
- Lagos State Audit Law 2011.
- Lagos State Public Finance Management Law 2011.
- Lagos State Public Procurement Law 2011.

Potential new PPP Projects

Some of the potential projects that are possible through this approach are:

- The rapid rail transit system (Red and Blue Line networks) which can be built through a Design, Build, Operate and Transfer (DBOT) model. LASG could inject capital on building the tracks, bridges and stations and the private sector can focus on rolling stock, depot equipment, communication and control equipment.
- Bus rapid transit where the public sector can concentrate on depots, roads rehabilitation, bus shelters, lay byes, street lighting and fencing terminals. The private sector can then concentrate on rolling stock and working capital.
- Water transport systems where the public sector can concentrate on the construction of jetties, access roads and safety regulation and security. The private sector can build terminals, purchase vehicles and operate the scheme.
- Roads and Highways where the private sector can recover its investment through toll gates.
- Power Plants – e.g. Peninsula Power Plant that will be a 6.5 MW plant running on Compressed Natural Gas (CNG) to supply power to Lekki water works, Victoria Island water works and public lighting within Lekki Phase 1 and Victoria Island extension, Ikeja GRA Power Plant that will be a 10 MW plant running on natural gas or Compressed Natural Gas (CNG) to supply power to Lagos State Teaching Hospital (LASUTH) and LASG Old Secretariat and Industrial Estates Power Plants dedicated to specific industrial sites.
- Water works at River Ogun (Adiyan II & III), River Oshun (Odomola I to III), River Owo (Ishasi), River Aye (Otta Ikosi), River Owuru, River Solodo, River Yewa

Challenges to PPPs

PPPs are not without their challenges in spite of the tremendous benefits they promise. They are underpinned by complex legal and financial agreements which seek to protect the interests of both the public and private parties engaged in the partnership initiative.

Some of the State laws enacted and outlined above have helped but other challenges remain. Financial outlay for PPPs tends to be quite large and needs a very robust financial market to support it. Finance from the local

market may not be readily available, making it necessary to opt for off-shore markets with their attendant conditionality challenges and need for guarantees from LASG. Part of this challenge will be addressed through the DPO. Finance for PPPs tends to have maturities of between 5 years to 20 years yet large amounts of money need to be invested for long periods (on buildings and machinery). The underlying risks in honouring repayments are quite high and public financial management will therefore be strengthened to avoid this pitfall. The real return on investment is dependent on tariffs approved by the State Government. All efforts will be made to remain flexible and ensure viability of the enterprises.

11.6 Public Financial Management

The Plan financing requirements plus the need to gain confidence of multilateral and bilateral agencies as well as manage the risks of public borrowing demands strengthened public finance management systems. The State is aware that some of the financial strategies it has adopted in the past to finance additional infrastructural requirements have resulted in financial obligations and contingent liabilities for the State. The State is clear that it has to effectively manage the resultant financial risk to ensure that all financial obligations are met as and when due while the State maintains fiscal sustainability. The State is also aware that the issue of budget realism has continued to be a source of concern to development partners. Budget performance has continued to hover around 70-80% due to a number of factors which includes short fall in revenues and lack of an effective cash management system and procedures. Inability to fully implement the budget as approved by the SHoA has serious implication for service delivery in the State. Some of these implications are already being felt. The inability of the Federal Government to include the LASG/World Bank DPO in Nigeria's borrowing plan for 2012 has been another drawback for the State's ability to achieve its target of 95% Budget Performance for Year 2012. Even though the first tranche of the WB DPO credit was approved and released, as at October 2012 the State was yet to fully meet the prior actions for DPO 1, especially as it relates to the functionality of the Oracle Financials, improvement in cost of doing business in Lagos and effective and efficient management of the GSI for land administration in general.

11.6.1 Fiscal Targets

In view of the above the State has set itself very tight targets to make best use (effective and perhaps efficient) of its resources, while providing MDAs with the finance required to deliver services, along with the necessary level of accountability to make sure that MDAs use the money as it is supposed to be used. The principal targets that have been set include:

- Budgets are prepared in adherence to an agreed budget call circular
- Budget Policy Statements contain revenue envelopes which are consistent with the revenue model.
- Annual budget documentation meets PEFA standards
- A process for the publication of budget allocations to LGs/LCDAs is in place.
- A simple cash forecasting model is developed and piloted using sample data
- A new strategy for improving IGR is prepared
- An action plan to implement recommendations from the CIAD assessment is prepared.
- Procedures for bank reconciliation within the Treasury Single Account (TSA) framework are documented and piloted
- Improvements for budget performance reporting formats (actual + commitments against budget) are prepared.
- The HoA has the capacity to scrutinise annual revenue and expenditure proposals,
- There is support provided for the introduction of improved procedures and techniques in the OSAG.

11.6.2 Progress on meeting Targets

Work on meeting some of these targets has commenced and commendable progress has been made on many of these. Part of this progress is in:

- The State has consistently produced a Medium Term Budget Framework (MTBF) as part of its planning and budget framework since 2010. Annual Budgets of the State are largely influenced by the MTBF.
- The State uses Medium Term Sector Strategies (MTSS) as means to provide links between policy and budget.

- MTSSs provide MDAs with confidence in the cash they need to implement their plans. MDAs need to attach importance to getting budgets within realistic bounds. The State aims at achieving a 100% budget performance, thus enabling the implementation of most approved sector strategies. MTSSs are also a means to achieve budget discipline. So far 25 sector have prepared their MTSS, though of variable quality. Alignment of the MTSS and Budget is still weak, but the inclusion of a Programme Segment in the upgraded Chart of Accounts and the expected full roll-out of Programme Based Budgeting for the 2013 Budget Year are expected to further improve the linkages. The completion of this plan will see improvements in this. As from the first quarter of 2013 there will a strategic alignment of the goals and objectives of the State as represented in this Plan with the programmes and strategies in the MTSSs.
- An upgrade of the Budget Classification and Chart of Accounts (BC&CoA) has been completed, and a comprehensive upgraded BC&CoA User Manual produced. Configuration of the new BC&CoA on the State's Integrated Financial Management Information System (via the ORACLE Financials software) is completed. The result of this is improved Performance-based and transparent reporting of Government business. Better linkages now exist between planning, budgeting and accounting recording/reporting systems with an upgraded BC&CoA. A total of 1004 staff of Lagos State Government (from BC&CoA User Group) have already been trained on the new upgraded Chart of Accounts.
- Lagos State signed a Public Procurement Law in November 2011, with an effective date of April 2, 2012. A new Procurement Cadre has been inaugurated and a General Manager and other pioneer staff have been selected with technical assistance from SPARC. Series of state-wide enlightenment campaigns (over 2,500 stakeholders) and capacity building (200 Procurement Officers) was embarked upon. SPARC support resulted in an estimated savings of about 40 million Naira (being amount earlier budgeted by the State for the sensitisation). A programme of training and re-training of the Procurement Officers continues on an on-going basis, towards the eventual decentralisation of procurement functions to MDAs/procuring entities in line with WB DPO 3

requirements. Institutionalising the Public Procurement structure and processes would result in transparency, accountability and gradual reduction in wastages in the purchase of public goods, works and services in the State

- MEPB, in collaboration with the State Treasury Office (STO), presents quarterly in-year budget performance report to stakeholders and the general public. Final accounts from Office of the Accountant-General are published in Newspapers, on the state's official website and as printed booklets. Reports of both the State and Local Government Auditor-Generals are consistently published, but at the moment not always in timely manner.
- Performance Management Review (PMR) Reporting based on the MTSS has already been introduced across sectors in LASG, and the 2010 Annual Education Sector Report was used during the revision of the MTSS for the Education sector. PMR across all sectors have been consolidated into 9 COFOG sectors and draft PMR reports incorporating G&SI was produced.

Chapter 12

Governance and Capacity Development

Aim: To facilitate the successful implementation of the LSDP

Strategic Direction: Get organised, motivated, coordinated, and have the right competencies for the job to be more accountable, transparent and responsive.

12.1 Overview

One of the key driving elements of this LSDP is that the development process requires the wholehearted support of all the various players and agencies that have a direct interest in seeing the Vision for Lagos fulfilled. This includes in prime place, the Lagos State Government, but it crucially also means the full engagement of the people of Lagos. Further, it also requires the Private Sector to act in partnership with both the LASG and its people, to provide the capital, expertise and energy to become the dynamo of the economy. Finally, the international community also needs to be encouraged to provide timely resources, both in terms of expertise, loans and grants to further the development ambitions of the State.

Governance has to satisfy the following principles:

- Accountability
- Transparency
- Responsiveness

Governance has to effect changes in:

- System and Approaches
- Organisations
- Individuals

12.2 Objectives/Outcomes

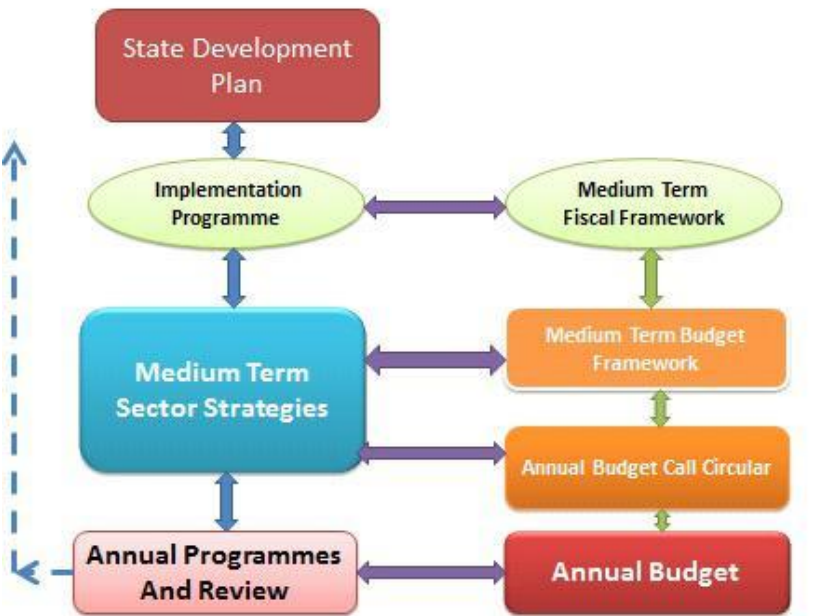
- There is a planning, budgeting and coordination system that allows the policies and programmes in the LSDP to be implemented.
- The State Administration is delivering services people need in a fair, efficient, accountable and transparent manner.
- The State is providing conducive environment for business and external support that encourages the private sector to play its corporate responsibility; and external agencies to provide support in a coordinated and integrated manner so as to encourage new investment, job creation, infrastructure and social services.
- The State Administration continues to recognise civil society as equal partners in development and involves them in formulating development policies as well as in decision-making.
- The State Government is decentralising functions and devolving powers to local government authorities to bring development and governance closer to the people.

12.3 Policies and Programmes

12.3.1 Planning, Budgeting and Coordination system

In an effort to provide a budgeting, planning and coordination system that is responsive, strategic, realistic and adaptable, the State has in the last few years designed and implemented the MTSS Framework within the context of Medium Term Strategy Framework (MTSF), Medium Term Budget Framework (MTBF) and Medium Term Expenditure Framework (MTEF). The following diagram shows the relationship of the LSDP to these processes.

Fig. 12: The LSDP and the Planning and Budgeting System



The relationship between these planning, budgeting and coordination systems will be given operational drive and energy through the preparation of an Implementation Programme, not later than six months after the approval of the LSDP. The preparation of the Implementation Plan will involve updating the MTSS to be fully linked with LSDP programmes and policies. Performance Agreements and Service Charters will also be aligned with LSDP policies and programmes.

The Implementation Programme will thus consolidate current efforts and bring about:-

- Budgets which reflect agreed strategies and priorities that are realistic and able to adapt to changing circumstances.
- Planning systems that provide an enhanced framework for improved living and greater opportunities for enterprise
- Coordination mechanisms that ensure all partners and all MDAs are geared to achieving state-wide aims, strategies and policy directions.

- Monitoring and evaluation procedures that allow for open and transparent performance management to be reviewed and publicly assessed.

12.3.2 Delivery of Relevant and Appropriate Services

In order to deliver responsive services people need fair, efficient, accountable and transparent systems. The State has introduced Performance Agreements as contracts between the State and MDAs. The performance agreements indicate the level and quantum of services each MDA is expected to deliver in a given time holding the executives accountable for delivery of the services. The State has sought to enhance the capacity of the MDAs through a corporate planning exercise, which has left an increasing number of MDAs with a strong organisational and functional focus. Through the CP public officers have individual performance targets, clear job descriptions and service standards that will all provide the basis for individual performance assessments. MDAs have also prepared service charters as contracts with people they serve.

With technical assistance from SPARC, Service Charter Policy and Guidelines were developed in 2010, with the aim of improving service delivery across the state. With additional funding from DFID (for Strategic Opportunities), Service Charters and Delivery Standards for 12 pilot MDAs of the State were developed and publicly launched by the Governor in July 2012. These standards have been published and distributed to the Media and general public. Action on service improvement plans is in place for the 12 pilot MDAs. The Executive Council, including the Governor, gave the go ahead for Service Charters to be developed in key public-facing MDAs.

In a related development, SPARC also facilitated the development of draft Performance Agreements between HE the Governor and five key MDAs identified by the Governor. As noted above, the Performance Agreement is a form of contract between the Governor and the political leaderships of the concerned MDA, with clear deliverables and key performance indicators. This represents a milestone in efforts to improving service delivery. A set of Guidelines has been developed for personnel supporting the Governor in collecting performance data and assessing progress against objectives.

In the State's desire to continue to improve performance and therefore

service delivery, MDAs mandates will be reviewed, updated and published regularly to ensure that government organisations have a direct line of sight to the State Vision. Re-organisation of all MDAs which has started will be completed and this will include establishing Human Resources (HR) units in each MDA which will be managed by professional HR personnel. These reforms will ensure MDAs are more responsive and accountable.

This effort is to be intensified through the Implementation Plan in which the State will explore what more services could be delivered through local government. It will open negotiations with civil society to help them understand and to relate to Government planning and implementation approaches and procedures – MTSS, Service Charters, Budget, etc. It will also reconcile its MTSS outputs and indicators so that they are in line with indicators in the State Peer Review Mechanism (SPRM) framework. The State will therefore through the process ensure:

- MDAs operate in a manner that respects people and sees them as clients for the service to which they are entitled.
- MDAs act in an accountable manner, keeping the public well informed and involved in all aspects of service delivery, political decision-making, and monitoring.
- Performance against service standards is regularly measured and publicly reported,
- The public feel that they get value for money for the taxes, fees and charges they are called upon to make to support public services.
- Where people have complaints or disputes with public bodies these issues are dealt with quickly and fairly in an open manner.

12.3.3 An Environment for Business and External Support

In order to create a more conducive environment for business and external support that encourages the private sector to play its corporate responsibility and external agencies to provide support in a coordinated and integrated manner, the State has in the past created frameworks that have encouraged PPPs and free trade zones. Through such facilities the State has developed power plants, waterworks, roads and bridges, introduced ferry services and BRT. It has also invested heavily in infrastructure and social services. These efforts will be continued

through the LSDP implementation phase. The State will design an instrument through which MDAs, the private sector and the external agencies can consult each other. Through this effort will be created:

- A Donor Coordination Framework
- Regulatory procedures for establishing new business and expanding and improving existing enterprises that are as simple and as speedy as possible..
- Tax regimes and other fees and charges that are fair, do not impede job creation and are administered appropriately.
- Incentives and support for new and existing businesses.
- A framework for advice, information and coordination for the business world.
- A new order where business makes contributions to community development, engages trade unions in partnership and acts according to approved health, environmental and safety procedures.

12.3.4 Civil society as equal partners in development and in decision-making

The State has tried to re-invigorate the demand side of governance by listening more to its clients who are the users of public goods and services provided by government. The State has involved the Civil Society groups in development and governance through their active participation in the bi-annual Ehingbeti Economic Summits. It has also given the Public Accounts Committee (PAC) of the State House of Assembly (SHoA) more independence so it holds the executives more accountable. The State will through the Implementation Plan continue to negotiate with CSOs such that they will better understand and relate to government planning and implementation approaches which will include the MTSSs, service charters and budgets.

The State will continue to encourage the CSOs to:

- Be more involved in tracking government expenditures and in monitoring and evaluations of programmes and projects.
- Commit resources for eradicating poverty and socio-economic injustices, and promoting sustainable development, social security and human rights through CSOs participation in health and education delivery.

- Improve public's perception of government's performances in the delivery of social services.
- Facilitate civil society's role, especially of women and the youth, towards ensuring a people-centred policy framework by providing adequate resources, support and cooperation.

The State will also continue to do the following to improve transparency and responsiveness:

- Publish accounts.
- PAC will continue to provide scrutiny.
- Members of the SHoA will continue to consult their constituents and continue to hold the Executive to account.

12.3.5 Development and governance closer to the citizens through decentralisation

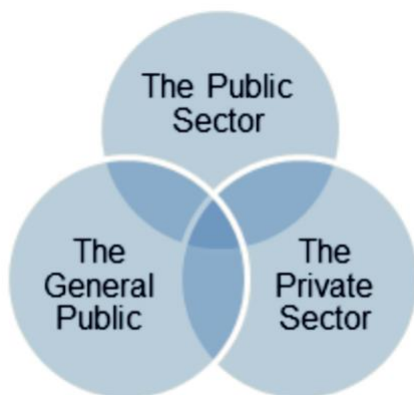
Local councils are better placed to respond to community needs and services hence the State government created 37 Local Council Development Areas (LCDAs) to complement the existing 20 LGAs to even out development, spread of governance across the State and promote federalism. Therefore the State will bring development and governance closer to its citizens through the decentralisation of functions and devolution of powers to the 20 LGAs and 37 LCDAs. This will make it easier for the State to achieve its vision if the governments at the grass root collaborate and cooperate with the State government in development. Lagos State like other states has achieved political decentralisation. Its strategies going forward are to achieve administrative decentralisation and fiscal decentralisation and ensuring linkages between these components. The State having implemented a decentralised structure will:

- Clearly apportion resources and power between the state and LGAs/LCDAs.
- Involve LGAs and LCDAs in formulating development policies, decision-making as well as in monitoring and evaluation.
- Ensure necessary capacity at LGAs and LCDAs for the delivery of quality public services with focus on achieving the Millennium Development Goals (MDGs).

12.4 Governance for Plan Implementation

Plan implementation, and in the process, policy review, is a balancing and negotiation exercise. It involves balancing State developmental objectives against other interest groups objectives. It also involves coordinating the efforts and ensuring capacity of all State organs that are expected to be active in delivering the various services – the MDAs.

LASG cannot implement this plan alone. Implementation will be done through a coalition of public sector, private sector and the general public. The public sector includes parastatals and local government bodies. The private sector includes organised bodies like the Chamber of Commerce, Trade Associations, Market women associations and Individual corporations and traders. The general public includes civil society bodies, residents associations, consumer associations and the taxpayers. As indicated above, LASG will re-double its efforts to create an environment that is conducive to Private Sector investment by making it easy to do business in Lagos through reducing burdensome regulations, simplifying tax regimes and providing incentives. LASG will remain accountable to the electorate and the taxpayer. As noted above, the general public includes civil society bodies, residents associations, consumer associations and the tax payers. The public needs to know what is happening and to give feedback on what progress is being made. Major advances have been made in these areas but this plan is predicated upon going much further in the plan period. The partners in development are represented in the diagram below. The best effectiveness is where the three circles overlap and that will be the ideal target for the plan.



The development objectives of each of the partners in development are also better expressed in the table below:

Table 18: Development Objectives of each main Sector

Public Sector	Private Sector	Community/Tax Payer
<ul style="list-style-type: none"> • Achieve impact – make differences in people's lives • Meet policy targets • Cut public expenditure • Respond to cross cutting issue agendas – climate change, gender, the vulnerable and HIV/AIDS 	<ul style="list-style-type: none"> • Policy effect on risk/reward • Policy clarity and simplicity • Policy stability and longevity • Credible means of enforcement 	<ul style="list-style-type: none"> • Quantity and quality • Cost effectiveness –compare among service providers • Consultation – all interest groups want to be consulted • Transparency and accountability

In order for LASG to make progress on these governance issues, it will advance the following three areas:

- Capacity development
- Provision of strong leadership
- Improved coordination

These will be accompanied by a comprehensive performance management and M&E processes that are discussed in the next chapter. Staff performance will be measured against key performance indicators and specific targets derived from this plan.

12.4.1 Capacity Development

Many well-articulated plans and visions have failed because of lack of capacity in the implementing institutions, organisations and individuals. A key priority will therefore be to develop capacity of the MDAs to deliver on the sectors' strategic policy objectives and targets. Capacity development is defined as the process by which MDAs improve their ability to perform functions towards the achievement of policy objectives. This involves several activities including understanding and dealing with developmental needs.

Every MDA in the State is a complex organisation that has to meet the needs of a great many different, and sometimes competing, stakeholders. In order to achieve their goals, MDAs will develop and adapt new organisational models and incorporate new information and

communications technologies to help them manage change effectively. To become high-performing organisations, MDAs will develop – and in some cases transform – their capabilities in line with the dynamic global environment in which they operate.

Accordingly each MDA will prepare a capacity building strategy and programme. These strategies and programmes will establish an active, internally driven system of continuous learning and improvement amongst all the MDA sub-units rather than them being passive recipients of training and manuals. The capacity building programmes will be flexible, process and systems driven and will put as great an emphasis on the quality and sustainability of the MDA itself as on the outputs/services it produces. The capacity building programmes produced will combine the following:

1. Strengthening of leadership and coordination;
2. Provision of Physical Resources;
3. Provision of training funds and training;
4. Provision of Technical Assistance in the form of advisors and/or facilitators;
5. Policies, laws and regulations; and,
6. Monitoring and evaluation to focus on the performance of the MDA as a whole.

12.4.2 Provision of strong leadership

The following four offices will continue to provide the necessary leadership for the LSDP:

- Ministry of Economic Planning and Budget
- Office of the Head of Service
- Office of Transformation
- Ministry of Finance

Other support services for plan implementation will come from Ministry of Justice, Office of Public Private Partnerships, Projects Monitoring Office and the Office of the Auditor-General.

These organisations will continue to provide leadership for broad based and sustainable economic and social development by providing a vision for a globally competitive economy with focus on creating jobs and services. These organisations will also maintain a constant drive to

improving governance while ensuring the State develops a global reputation for high standards in administration, accountability, transparency, justice, equity and fairness. These will be achieved through partnerships with the private sector, civil society including women and youths, and other development partners. The executive will continue with senatorial/business/community meetings to ensure all resources are channelled towards achieving the vision of the State.

12.4.3 Improved Coordination

The State government is made up of over 150 MDAs through which all services and programmes are delivered and through which this plan will be implemented. The MDAs liaise and work with the private sector, the non-governmental sector, communities and community groups. It is important to bring together all MDAs that are more closely related and whose activities have a significant impact on the achievement of objectives and targets at each Development Pillar or sub-sector in that Pillar and draw their attention to the relevant section of the plan. This will be achieved through the design and implementation of a standard instrument/template that will create the necessary opportunity for dialogue between sectors on supporting each other. It will also be important for each MDA to establish that all potential constraints likely to be encountered are identified and resolved. Some of these constraints may relate to the overlaps in policy, regulatory administrative roles.

A table is presented in Annex 2 that maps all MDAs by COFOG and sub-sector. This provides a register of MDA responsibilities for the implementation of the LSDP.

Chapter 13

Implementation, Monitoring and Review

Aim: To utilise systematic Phasing, Monitoring, Evaluation and Review Processes for the LSDP

Strategic Direction: The SPD will become meshed into approved and existing Monitoring and Evaluation and Performance Review Systems

13.1 Overview

It will be crucial to implement the LSDP in a sequenced and phased manner that has clarity and rationale. The details of the phasing and sequencing of the LSDP will be provided by a separate Implementation Plan.

Monitoring the LSDP will be done in two ways. Since this is a long term plan the indicators that will need to be developed will have to reflect the long term outcomes that are being sought and the extent to which the Plan is on track to meet them. Some interim targets that can measure progress towards the long term outcomes will be required. These might reasonably be 5 year targets. The second way progress can be measured will be in the MTSS M&E process. This will provide a regular snapshot of how well the long term development aspirations are being met. The M&E system

described below is one that has been adopted by Lagos State for the MTSSs.

Monitoring the performance of the LSDP will be vital to ensure that the Plan is on track in terms of the intended sequencing and any necessary adjustments and corrections can be made in a timely manner. Evaluating performance will involve a wider stakeholder engagement and will take a broader (5 year view) of progress that could lead to changes of direction.

13.2 Objectives/Outcomes

Sequencing and Phasing

- Processes established which link the LSDP to Medium-Term Sector Strategies and Annual Budgets
- MDAs aware of linked and relevant policies and programmes of other MDAs in the LSDP that relate to their activities
- Established milestones and targets that provide a basis for monitoring the LSDP on a phased basis

Monitoring and Evaluation

- M&E of the LSDP is effectively linked into existing systems used to monitor and evaluation MTSS and other Government Plans
- M&E activities undertaken by Lagos State Government and its partners help to assess whether or not LSDP objectives/outcomes are being realised.
- M&E systems provide the basis of accountability to the citizens and other stakeholders for LSDP performance

Review

- LSDPs performance reviewed on a regular basis
- Citizens have access to reports on the LSDPs performance
- LSDP strategies tracked and analysed to determine whether they are achieving the government's desired outcomes
- Revision of LSDP strategies to make them more effective for delivering better performance results and outcomes for citizens.

13.3 The Implementation Programme and Plan Sequencing

13.3.1 Introduction

While the LSDP provides a general framework for the long-term development of the state, its implementation framework will be mainly set by the Medium-Term Sector Strategies (MTSS) and the annually reviewed and up-dated Medium-Term Expenditure Framework (MTEF) backed by a pragmatic financing strategy. Even though Government will be the pacesetter, there will be crucial partners in the process including the private sector, non-governmental and community-based organizations, international development agencies, and the entire citizenry. Therefore, to ensure its success, there will be an implementation framework and an action plan specifying tasks, roles, key players and time frame.

13.3.2 The LSDP Implementation Programme

The Implementation Programme will consolidate LSDP efforts and bring about:-

- Bring out a list of projects and programmes for implementation
- List of agreed priorities and their sequencing in terms of implementation
- Budgets which reflect agreed strategies and priorities that are realistic and able to adapt to changing circumstances.
- Action plans for the agreed priorities specifying tasks, roles, key players and time frame.
- Planning systems that provide an enhanced framework for improved living and greater opportunities for enterprise
- Coordination mechanisms that ensure all partners and all MDAs are geared to achieving state-wide aims, strategies and policy directions.
- Monitoring and evaluation procedures that allow for open and transparent performance management to be reviewed and publicly assessed through LSDP level KPIs, harmonised with those deployed in MTSSs and other mechanisms such as the SPRM.

13.3.3 Implementation Framework

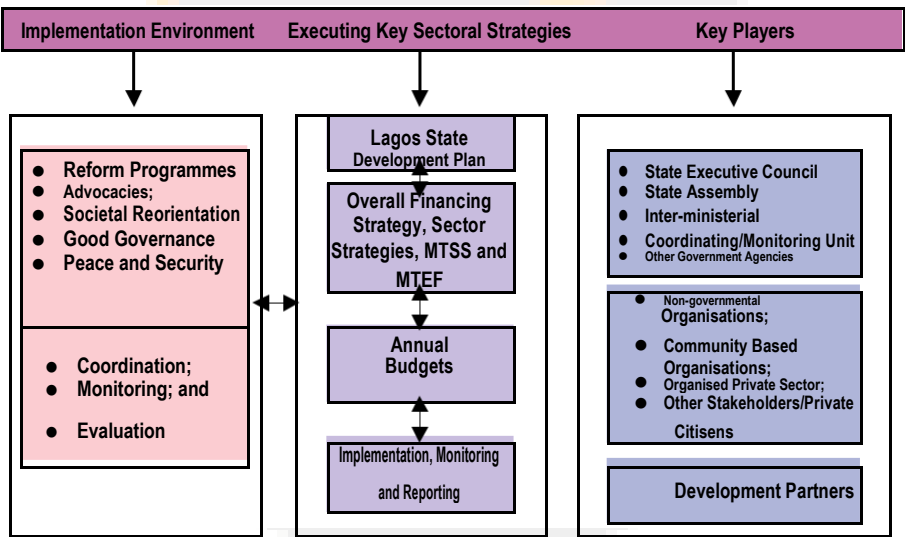
Implementation is very crucial to the achievement of the vision, policies and strategies of the LSDP. As with monitoring and evaluation, implementation will be participatory with active involvement of all major stakeholders. It is envisaged that use of MTEF, coupled with political

commitment, good governance and active participation of major stakeholders will ensure effective implementation of the sectoral strategies.

The implementation frameworks for key sectoral strategies are, therefore, the MTSSs, MTEF and the Annual Budgets with sufficient input from all key players. At the same time, reform programmes, coupled with continuous coordination, monitoring and evaluation will be pursued to provide an enabling environment for successful implementation.

Fig. 13 below gives a schematic view of the implementation framework and modalities indicating the envisaged linkages between various implementation structures.

Fig.13: LSDP Implementation Framework



13.3.4 Sequencing and Phasing of the LSDP

The Implementation Plan will address this issue in detail. The priorities for the first five years have been largely established through various policy statements, through current MTSS and other directives. In broad terms the key strategic priorities are to concentrate on what has been called **PATH**. The State recognises that **Power** is the key to unleashing greater economic activity and create new jobs. It sees **Agriculture** as containing considerable potential for improving food security, galvanising the youth into development projects, regenerating rural areas and providing stimuli

for major new ventures in agri-business. **Transport** is another key infrastructure need that requires major investment so that the productive forces of the State can be given fuller reign. Finally **Housing** has been identified as a critical area both for job creation and meeting vital social needs.

The Implementation Plan will take the PATH priorities into account along with other sector priorities and provide a rational and agreed phasing sequence for LSDP programmes and policies.

13.4 Monitoring and Evaluation

Monitoring is the key activity in ensuring that the policy development and the review process results in changes that improves the quality and pace of the implementation of the LSDP. The M&E approach adopted by the MTSS is known as a Results-Based M&E System. The details of this are contained in Annex 3. Reliable information will be an important input to the various review processes into which the LSDP will now be a part of. These include the State Peer Review Mechanism (SPRM). The MTSS process which utilises the Performance Management Review process and the monitoring of Performance Agreements and Service Charters.

State Peer Review Mechanism

The Nigeria Governors' Forum (NGF) is a coalition of the elected Governors of the country's 36 States. It was established in 1999, with the mission to provide a platform for collaboration among all the governors, irrespective of party affiliations with support from the National Democratic Institute and the Forum of Federations. The National Economic Council (NEC) in recognition of the mandate of the NGF in 2007 resolved that the Forum should assume responsibility for developing and implementing a States' Peer Review Mechanism (SPRM). The overarching objective of the SPRM is to assist Federating States in Nigeria to accelerate the pace of their development through periodic reviews of progress in the implementation of their development policies, plans and programmes. Clearly the LSDP will figure prominently in this process from the Lagos State perspective. Once a baseline has been accomplished the SPRM will be undertaken every four years looking at a large number of indicators covering all sectors of development in the state. The LSDP will need to harmonise its own indicators with those adopted by the SPRM.

MTSS Monitoring and Review

The MTSS Manual sets out the approach to M&E, using the results-based approach (see Annex 3) as a framework for the exercise. The central aspect of the MTSS M&E system is the Key Performance Indicator (KPI). Each sector is required to develop an appropriate set of KPIs which form the basis for monitoring, the results of which are fed into an Annual Performance Evaluation Report and Review process. The details for this process are to be found in the *Lagos State Guideline and Training Pack for developing and implementing a Performance Management Report and Review Process (2010)*. Some key elements of the Guidelines are shown in Annex

4. The LSDP will need to align and harmonise with this existing process, but at the same time the various MTSSs will also need to take account of the priorities, strategies and targets of the LSDP.

Service Charters and Performance Agreements

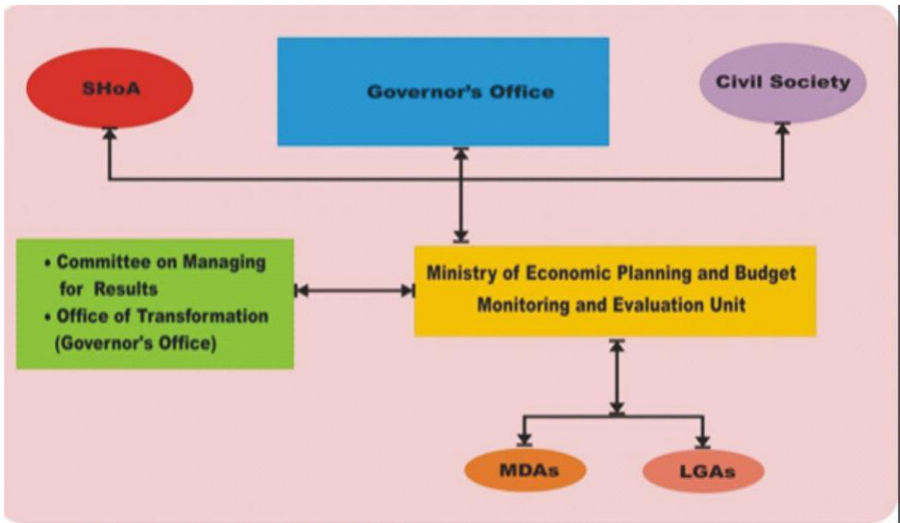
Service Charters are public documents which inform citizens about a MDA's services and outlines citizens' rights and responsibilities, as well as avenues for communication. It specifies standards of Service Delivery in the form of a series of commitments, entitlements, or promises upon which customers can expect, and demand quality service as a right; and to which they can also complain when services fail. Service Charters will be monitored and KPI established for that purpose. Once again the LSDP will need to align and harmonise with this existing process, but at the same time the various Service Charters will also need to take account of the priorities, strategies and targets of the LSDP.

Performance Agreements are concluded between His Excellency the Governor and heads of MDAs. Targets are an integral element of Performance Agreements and these too should be harmonised with the LSDP and vice versa.

13.4.1 M&E Governance Framework

The governance framework for M&E in Lagos State is depicted in Figure 14. It shows that the Governor's Office, the State House of Assembly and Civil Society Organisations (CSOs) are expected to generate demand for M&E information or services. In addition, CSOs are expected to participate in strategy sessions to enable their representatives to appreciate the scope and expectations of the LSDP.

Fig. 14: Lagos State M&E Governance Framework



Other opportunities for CSOs engagement include policy advocacy, budget analysis and budget monitoring. Similarly, the State House of Assembly will have responsibility for oversight functions over implementation of the M&E system and the making of laws required to improve the smooth functioning of the system. The Governor's Office is expected to support M&E champions who are committed to designing, building and sustaining a results-based M&E system in the state. The M&E Department of the Ministry of Economic Planning and Budget will have responsibility for providing M&E services with the active participation of M&E units in sector ministries. In addition, the Office of Transformation in the Governor's Office has a mandate for annual performance reviews. While MEPB will be the coordinating agency for M&E services in the state, the M&E Planning Unit of the MDAs and the Local Government Areas (LGAs) and Local Development Councils (LDCs) will have primary responsibility for M&E studies and reporting.

13.5 The Review Process

The LSDP should be subject to an Annual Performance Management Review along the lines of the recently agreed Performance Management Review Process for the State. It would be appropriate to conduct such Annual Reviews as a relatively simple exercise, noting trends and serious potential diversions from long terms aims and outcomes. A more

thorough exercise, involving a thorough review with all stakeholders, may be held every 5 years. In both cases the basic approach will be the same.

13.5.1 The Performance Management Report and Review process

The Performance Management Report and Review process will:

- Annually capture, document and report on the performance of the LSDP
- Annually measure the delivery performance against a suite of established Key Performance Indicators and targets;
- Using a traffic lighting system, such an assessment will show whether the state's performance against a particular Key Performance Indicator is either good, average, or in need of improvement;
- Through the review process, identify and recommend changes to the public service delivery system – procedures, processes, deliverables – that are required in order for LSDP to get back on track
- Revise its annual sector plans (MTSS) and resource allocations (Budgets) in a way that provides a closer adjustment to the Plan

The Performance Management Report process entails:

- The establishment of structures and procedures for capturing service performance data and information from, amongst others, frontline service delivery managers, service users, non-government service providers, government suppliers and contractors.
- Analysing the service users' information to determine what outcomes are being achieved through the delivery of services;
- Documenting the above information in the Performance Management Report, together with the challenges that the State has faced which have impacted on the quantity and quality of the long term programmes in the LSDP;
- Including recommendations which address the challenges that the State faces. It is such recommendations that would lead to future programme improvements and enhanced programme outcomes; and
- Revising the strategies and resource allocations which are the core of the LSDP.

13.5.2 Involvement in the Performance Management Report and Review Process

Those that will be involved in the Performance Management Report and Review process include:

The sector's MDAs – they are responsible for delivering public services, generating and collating performance data for the sector;

The political headship of the sector – approves the Performance Management Report upon its completion, and participates in the Annual Performance Management Review;

A Performance Management Report Drafting Team – comprising members drawn from senior managers from each sector and some senior technical officers from the MEPB. The representatives from the MEPB shall include a Statistician as well as a Planning Officer. The team shall be Chaired by an officer of the rank of a Director from one of the sector's MDAs. The team shall be responsible for analysing the relevant performance data and thereafter the writing of the Performance Management Report and;

A Performance Management Report Committee – responsible for the high level facilitation of the Performance Management Report and Review process that will be necessary, especially in respect of negotiating for required resources from senior management of the sector's MDAs. The team shall additionally be responsible for first line review and approval of the draft report.

13.5.3 Using the outcomes of the Performance Management Review

The outcomes of the Performance Management Review will be used for the following primary purposes:

Feedback to citizens. The outcomes of the review can be disseminated to the general public in Lagos as government's account of what progress is being made to achieve the long term outcomes of the Plan. This process lays down a baseline of progress that citizens can expect for the future as well as to give them the information with which they can query government about its future performance.

Revision of sector strategies (MTSSs). As the outcome of the Performance Management Review includes an account of plan

performance, a highlight of sector challenges, and recommendations that should lead to improved performance in the future, they need to be taken into account when the sector's MTSS is being revised. Revisions to the MTSS should therefore reflect ways of achieving the LSDP through sector priorities, implementation plans and programmes, service delivery mechanisms e.g. where a service may be better delivered through the private sector in an environment where government has a robust regulatory framework.

Revision of resource allocations. By using the outcomes of the review to revise the sector's MTSS, the opportunity also arises for future allocations of state resources to be revised in line with the state strategies that will produce the best LSDP outcomes for citizens. If new methodologies or strategies are recommended, then revisions need to be made to how resources are allocated across sectors as well as programmes. Such revisions need to be reflected in the following year's annual budget of the state.

13.5.4 A Major Review of the LSDP every 5 Years

In addition to the annual process outlined above, every 5 years, a wider, more in-depth assessment of the progress of the LSDP will be conducted with a broad stakeholder gathering, representing the Public, Private and Civic Sectors. This will re-examine the Aims of the LSDP and its key strategies in the light of progress towards outcomes made in the previous 5 years and recommend changes to strategies, policies and programmes to bring the Plan into alignment with the current concerns. This process will ensure that the LSDP retains relevance and provides a platform to renew commitments from all sectors towards its achievement.

ANNEXURE I - Lagos GDP

SUMMARY OF LAGOS GDP SURVEY (2010)

TABLE 1: SUMMARY OF LAGOS STATE GDP BY SECTOR :2010			
S/N	ACTIVITY SECTOR	GDP by SECTOR (=N=)	% CONTRIBUTION
1	Crop Production	517,183,130.22	0.004
2	Livestock	95,850,512,462.83	0.79
3	Forestry	73,997,266,500.00	0.61
4	Fishing	43,678,406,057.26	0.36
5	Coal Mining		
6	Crude Petroleum & Natural Gas		
7	Metal Ores		
8	Quarrying and Mining	641,850,395.41	0.01
9	Oil Refining		
10	Cement		
11	Manufacturing	3,579,463,339,251.23	29.60
12	Electricity	56,482,081,305.60	0.47
13	Water	3,781,060,571.43	0.03
14	Building and Construction	2,381,940,148,581.23	19.70
15	Wholesale and Retail	1,014,596,807,930.78	8.39
16	Hotel and Restaurant	82,630,620,896.52	0.68
17	Road Transport	3,200,687,215,350.00	26.47
18	Rail transport and Pipelines	556,189,564.05	0.005
19	Water Transport	720,000,000.00	0.01
20	Air Transport	94,066,806,430.50	0.78
21	Transport services	142,805,693,011.16	1.18
22	Telecommunications	448,213,971,739.13	3.71
23	Post	3,217,731,516.93	0.03
24	Financial Institutions	424,041,994,474.73	3.51
25	Insurance	36,023,684,904.25	0.30
26	Real Es (Professional Services) tate	242,974,154,376.00	2.01
27	Business Services	15,541,543,548.54	0.13
28	Public Administration	26,524,068,628.60	0.22
29	Education	58,009,769,227.59	0.48
30	Health	27,136,582,211.57	0.22
31	Private Non-Profit Organisation	741,000,000.00	0.01
32	Other Services	4,760,241,600.00	0.04
33	Broadcasting	31,701,401,349.28	0.26
TOTAL		12,091,301,325,014.80	100.00

SCOPE AND COVERAGE

The survey encompassed the 28 out of the 33 Sectors adopted by National Bureau of Statistics (NBS) for Nigeria economy and covered the entire 57 Local Government / Local Council Development Areas in the State. Large, medium and small business firms/outfits were enumerated under the following sectors: Crop Production, Livestock, Forestry, Fishing, Quarrying & Other Mining, Manufacturing, Electricity, Water, Building & Construction, Wholesale and Retail Trade, Hotel and Restaurants, Road Transport, Rail Transport & Pipelines, Water Transport, Air Transport, Transport Services, Telecommunications, Post, Financial Institutions, Insurance, Real Estate, Business Services (Not Health or education), Public Administration, Education, Health, Private Non Profit Organisations, Other Services and Broadcasting.

OVERALL LAGOS STATE GDP

The overall Lagos state GDP figure for Y2010 across the sectors stood at **N12.091trillion** equivalent of **\$80.61 billion** dollars which accounted for **35.6%** of National GDP figure of **N33.985trillion** as released by NBS.

CHALLENGES

The following challenges were visible in the course of the exercise:
Reluctance of the respondents to provide required data;
Inadequate Establishment frame;
Inadequate collaboration between the State and some private organisations such as

NACCIMA, MAN, SMEDAN and others.

Reluctance of some Federal Agencies such as Power Holding Company of Nigeria

(PHCN), Nigeria Communication Commission (NCC), Nigeria Postal Services

(NIPOST) and Federal Inland Revenue Services (FIRS) to provide Lagos State component data;

GDP Projections in Millions -2010 - 2025

S/N	ACTIVITY SECTOR	2010	2011	2012	2013	2014	2015	2016	2017
1	Crop Production	517.18	555.97	597.67	642.49	693.89	749.41	809.36	878.15
2	Livestock	95,850.51	103,039.30	110,767.25	119,074.79	128,600.78	138,888.84	149,999.94	162,749.94
3	Forestry	73,997.27	79,547.06	85,513.09	91,926.57	99,280.70	107,223.15	115,801.01	125,644.09
4	Fisheries	43,678.41	46,954.29	50,475.86	54,261.55	58,602.47	63,290.67	68,353.92	74,164.01
	Quarrying and								
5	Mining	641.85	689.99	741.74	797.37	861.16	930.05	1,004.45	1,089.83
6	Manufacturing	3,579,463.34	3,847,923.09	4,136,517.32	4,446,756.12	4,802,496.61	5,186,696.34	5,601,632.05	6,077,770.77
7	Electricity	56,482.08	60,718.24	65,272.11	70,167.51	75,780.91	81,843.39	88,390.86	95,904.08
8	Water	3,781.06	4,064.64	4,369.49	4,697.20	5,072.98	5,478.81	5,917.12	6,420.07
	Building and								
9	Construction	2,381,940.15	2,560,585.66	2,752,629.58	2,959,076.80	3,195,802.95	3,451,467.18	3,727,584.56	4,044,429.25
10	Wholesale and Retail	1,014,596.81	1,090,691.57	1,172,493.44	1,260,430.44	1,361,264.88	1,470,166.07	1,587,779.36	1,722,740.60
	Hotel and								
11	Restaurant	82,630.62	88,827.92	95,490.01	102,651.76	110,863.90	119,733.02	129,311.66	140,303.15
12	Road Transport	3,200,687.22	3,440,738.76	3,698,794.16	3,976,203.73	4,294,300.02	4,637,844.03	5,008,871.55	5,434,625.63
	Rail Transport and								
13	Pipelines	556.19	597.90	642.75	690.95	746.23	805.93	870.40	944.39
14	Water Transport	720.00	774.00	832.05	894.45	966.01	1,043.29	1,126.75	1,222.53
15	Air Transport	94,066.81	101,121.82	108,705.95	116,858.90	126,207.61	136,304.22	147,208.56	159,721.29
16	Transport Services	142,805.69	153,516.12	165,029.83	177,407.07	191,599.63	206,927.60	223,481.81	242,477.76
17	Telecommunications	448,213.97	481,830.02	517,967.27	556,814.82	601,360.00	649,468.80	701,426.31	761,047.54
18	Post	3,217.73	3,459.06	3,718.49	3,997.38	4,317.17	4,662.54	5,035.54	5,463.57
19	Financial Institutions	424,041.99	455,845.14	490,033.53	526,786.04	568,928.93	614,443.24	663,598.70	720,004.59
20	Insurance	36,023.68	38,725.46	41,629.87	44,752.11	48,332.28	52,198.86	56,374.77	61,166.63
21	Real Estate	242,974.15	261,197.22	280,787.01	301,846.03	325,993.72	352,073.21	380,239.07	412,559.39
22	Business Services	15,541.54	16,707.16	17,960.20	19,307.21	20,851.79	22,519.93	24,321.53	26,388.86
23	Public Administration	26,524.07	28,513.37	30,651.88	32,950.77	35,586.83	38,433.78	41,508.48	45,036.70
24	Education	58,009.77	62,360.50	67,037.54	72,065.36	77,830.58	84,057.03	90,781.59	98,498.03
25	Health	27,136.58	29,171.83	31,359.71	33,711.69	36,408.63	39,321.32	42,467.02	46,076.72
	Private non Profit								
26	Organisation	741.00	796.58	856.32	920.54	994.19	1,073.72	1,159.62	1,258.19
27	Other Services	4,760.24	5,117.26	5,501.05	5,913.63	6,386.72	6,897.66	7,449.47	8,082.68
28	Broadcasting	31,701.40	34,079.01	36,634.93	39,382.55	42,533.16	45,935.81	49,610.67	53,827.58
TOTAL STATE GDP		12,091,301.33	12,998,148.92	13,973,010.09	15,020,985.85	16,222,664.72	17,520,477.90	18,922,116.13	20,530,496.00

GDP Projections in Millions -2010 - 2025 Continued

S/N	ACTIVITY SECTOR	2018	2019	2020	2021	2022	2023	2024	2025
1	Crop Production	952.80	1,033.78	1,126.83	1,228.24	1,338.78	1,465.97	1,605.23	1,757.73
2	Livestock	176,583.68	191,593.30	208,836.69	227,632.00	248,118.88	271,690.17	297,500.74	325,763.31
3	Forestry	136,323.84	147,911.37	161,223.39	175,733.50	191,549.51	209,746.71	229,672.65	251,491.55
4	Fishries	80,467.95	87,307.72	95,165.42	103,730.30	113,066.03	123,807.30	135,569.00	148,448.05
5	Quarrying and Mining	1,182.47	1,282.98	1,398.45	1,524.31	1,661.50	1,819.34	1,992.17	2,181.43
6	Manufacturing	6,594,381.29	7,154,903.69	7,798,845.03	8,500,741.08	9,265,807.78	10,146,059.52	11,109,935.17	12,165,379.01
7	Electricity	104,055.93	112,900.68	123,061.74	134,137.30	146,209.66	160,099.57	175,309.03	191,963.39
8	Water	6,965.78	7,557.87	8,238.08	8,979.51	9,787.66	10,717.49	11,735.65	12,850.54
9	Building and Construction	4,388,205.73	4,761,203.22	5,189,711.51	5,656,785.54	6,165,896.24	6,751,656.39	7,393,063.74	8,095,404.80
10	Wholesale and Retail	1,869,173.55	2,028,053.30	2,210,578.10	2,409,530.13	2,626,387.84	2,875,894.69	3,149,104.68	3,448,269.63
11	Hotel and Restaurant	152,228.91	165,168.37	180,033.53	196,236.54	213,897.83	234,218.13	256,468.85	280,833.39
12	Road Transport	5,896,568.81	6,397,777.16	6,973,577.10	7,601,199.04	8,285,306.95	9,072,411.11	9,934,290.17	10,878,047.73
13	Rail Transport and Pipelines	1,024.66	1,111.75	1,211.81	1,320.87	1,439.75	1,576.53	1,726.30	1,890.30
14	Water Transport	1,326.44	1,439.19	1,568.72	1,709.90	1,863.79	2,040.85	2,234.74	2,447.04
15	Air Transport	173,297.59	188,027.89	204,950.40	223,395.94	243,501.57	266,634.22	291,964.47	319,701.10
16	Transport Services	263,088.37	285,450.89	311,141.47	339,144.20	369,667.18	404,785.56	443,240.18	485,348.00
17	Telecommunications	825,736.58	895,924.19	976,557.37	1,064,447.53	1,160,247.81	1,270,471.35	1,391,166.13	1,523,326.91
18	Post	5,927.97	6,431.85	7,010.71	7,641.68	8,329.43	9,120.72	9,987.19	10,935.98
19	Financial Institutions	781,204.98	847,607.41	923,892.07	1,007,042.36	1,097,676.17	1,201,955.41	1,316,141.17	1,441,174.58
20	Insurance	66,365.79	72,006.88	78,487.50	85,551.38	93,251.00	102,109.85	111,810.28	122,432.26
21	Real Estate	447,626.94	485,675.23	529,386.00	577,030.74	628,963.51	688,715.04	754,142.97	825,786.55
22	Business Services	28,631.91	31,065.62	33,861.53	36,909.06	40,230.88	44,052.81	48,237.83	52,820.42
23	Public Administration	48,864.82	53,018.33	57,789.98	62,991.07	68,660.27	75,183.00	82,325.38	90,146.29
24	Education	106,870.36	115,954.34	126,390.23	137,765.35	150,164.23	164,429.84	180,050.67	197,155.48
25	Health	49,993.24	54,242.67	59,124.51	64,445.71	70,245.82	76,919.18	84,226.50	92,228.02
	Private non Profit								
26	Organisation	1,365.13	1,481.17	1,614.47	1,759.77	1,918.15	2,100.38	2,299.92	2,518.41
27	Other Services	8,769.71	9,515.13	10,371.50	11,304.93	12,322.37	13,493.00	14,774.83	16,178.44
28	Broadcasting	58,402.92	63,367.17	69,070.22	75,286.54	82,062.33	89,858.25	98,394.78	107,742.29
TOTAL STATE GDP		22,275,588.16	24,169,013.15	26,344,224.34	28,715,204.53	31,299,572.93	34,273,032.36	37,528,970.44	41,094,222.63

Source: Lagos Bureau of Statistics (LBS)

Footnote: The Y2010 figure was based on primary data computed by Lagos Bureau of Statistics (LBS) while that of Y2011 -

Y2025 was projected based on growth rate of 7.5% for 2011 -2013 and subsequent 3-yearly increase of additional

0.5% from 2014 -2025

Annex 2: MDAs Responsibilities by Developmental Pillar

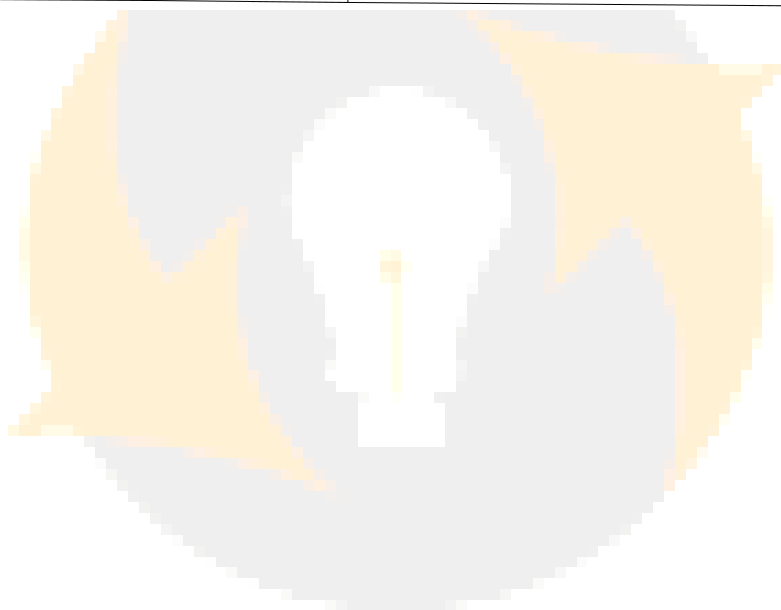
Sector	Sub-sector	MDAs Responsible for Plan Implementation
Economic Development	Commerce and Industry	Ministry of Commerce and Industry Lagos State Lottery Board Office of the Special Adviser on Commerce and Industry
	Agriculture	Min. of Agriculture and Cooperatives Agricultural Services Department Agricultural Planning Department Cooperatives Department Veterinary Services Department Fisheries Department Forestry Department Lagos State Agricultural Development Authority Agricultural Lands Holding Authority Lagos State Agricultural Input Supply Authority Lagos State Coconut Development Authority Agricultural Training Institute Livestock Training Center Fisheries Training Institute Rural Agriculture
	Culture and Tourism	Ministry of Tourism & Inter-Governmental Affairs Ministry of Waterfront Infrastructure Development Lagos State Council for Arts and Culture
	Land and Housing	Ministry of Lands Ministry of Housing Ministry of Works & Infrastructure Office of Surveyor General New Towns Development Authority (NTDA) Lagos State Infrastructure Maintenance & Regulatory Agency (LASIMRA) Regional & Master Plan Department Valuation Office Raw Materials Testing Agency Lands Bureau
	Natural Resources	Office of Special Adviser on Mineral Resources Development
	Urban and Regional Development	Ministry of Rural Development Ministry of Physical Planning and Urban Development Lagos State Planning & Environmental Monitoring Authority (LASPEMA) Lagos State Physical Planning & Urban Development Authority Lagos State Physical Planning & Management Authority (LASPEM) Public Works Corporation

Sector	Sub-sector	MDAs Responsible for Plan Implementation
Infrastructure	Transportation	Ministry of Transportation Motor Vehicle Administration Agency Lagos State Metropolitan Area Transport Authority (LAMATA) Lagos State Number Plate and Production Authority Lagos State Traffic Management Agency (LASTMA) LAGBUS Asset Management Limited Lagos State Ferry Service Transport Planning & Co-ordination Transport Operation Transport Engineering Office of the Special Adviser on Transport
		Power
		Ministry of Works and Infrastructure Lagos State Electricity Board Office of the Special Adviser on Works and Facilities
		Water
	Telecommunications	Lagos State Water Corporation Rural Water Supply and Sanitation
		Ministry of Science and Technology Ministry of Science and Technology Information Communication Technology Information Communication Technology Training Computer Services and Training Science and Technology Policy, Programmes and Promotion Mechanical Department
Social Services	Education	Ministry of Education Education Districts I-VI Office of the Special Adviser on Education Higher Education Department Examination Board Curriculum Services Inspectorate Department Basic Education Department Private Education & Special Programmes School Registration Department Policy Implementation French Language Centre Library Board Agency for Mass Education Scholarships Board State Universal Basic Education Board Lagos State University (LASU) Lagos State University Teaching Hospital (LASUTH) Lagos State Polytechnic (LASPOTECH) Adeniran Ogunsanya College of Education Michael Otedola College of Primary Education (MOCOPED) Science Research and Development

Sector	Sub-sector	MDAs Responsible for Plan Implementation
	Health	Ministry of Health Office of the Special Adviser on Health Disease Control Directorate of Nursing Services School of Nursing Pharmaceuticals Services Medical Admin and Training Environmental Health Department Primary Health Centers School of Health Technology Lagos State Aids Control Agency Board of Traditional Medicine Lagos State University Teaching Hospital (LASUTH) General Hospitals Children Hospitals
	Social Development and Protection	Ministry of Youth Sports and Social Development Ministry of Home Affairs and Culture Ministry of Women Affairs and Poverty Alleviation Ministry of Special Duties Office of the Special Adviser on Youth, Sports and Social Development Department of Rehabilitation Social Welfare Department Women Affairs Development Child Development Poverty Alleviation Job Creation Muslim Pilgrims Welfare Board Christian Pilgrims Welfare Board Women Development Centre Lagos State Sports Council Department of Rehabilitation Social Welfare Department Youth Development Lagos State Sports Council
Environment	Environment	Ministry of Environment Office of Drainage Services Office of the Special Adviser on Environment Office of Environmental Services Land Reclamation & Erosion Control Drainage Emergency Flood Abatement Gang Sewage and Water Department Sanitation Kick Against Indiscipline (KAI Brigade) Lagos State Signage and Advertising Agency (LASAA) Lagos State Environmental Protection Agency (LASEPA) Lagos State Waste Management Agency
	Natural Resources	Office of Special Adviser on Mineral Resources Development Conservation and Ecology

Sector	Sub-sector	MDAs Responsible for Plan Implementation
Other/Support Services	Finance	Ministry of Finance Ministry of Economic Planning and Budgeting Central Projects Coordinating Department Planning, Research and Statistics Technical Aid Department State Treasury Office Public Finance and Debt Management Office Office of the Special Adviser on Taxation and Revenue Office of the State Auditor General Office of the Auditor General for Local Govt. Board of Internal Revenue Regional Development Authority Local Government Intervention Fund Lagos State Development and Property Company (LLSDPC) Lagos State Industrial Development Finance Company Insurance
	e-Government	Ministry of Science and Technology Information Communication Technology
	Justice	Ministry of Justice Attorney General Civil Litigation Directorate of Public Prosecution Legislative Drafting Citizens Rights Administrator General and Public Trustee Directorate of Advisory Services Commercial Law Lagos State Judiciary (Civil Servants) Office of the Public Defender Solicitor General
	Governor's Office	Governor's Office Office of the Deputy Governor Office of the Secretary to the State Government Ministry of Local Government & Chieftaincy Affairs Chieftaincy & Boundary Matters Liaison Offices Cabinet Office Parastatals Monitoring Office Political and Legislative Power Bureau Lagos State Security Trust Fund
	Security and Safety	Office of the Chief of Staff Community Development Services Neighbourhood Watch Special Services Department [SSD] Task Force on Environmental Sanitation and Special Offences Rapid Response Squad Governor's Monitoring Team (GMT) Lagos State Emergency Management Authority (LASEMA)

Sector	Sub-sector	MDAs Responsible for Plan Implementation
	Services Matters	Ministry of Establishment and Training Office of the Head of Service Department of Establishment Department of Training Department of Industrial Relations Service Matters Directorate Post Service Department Welfare Matters Department Staff Housing Board Civil Service Commission Local Government Service Commission Health Service Commission Teachers Establishment & Pensions Office Judicial Service Commission Office of the Special Adviser on Establishment and Training Public Service Office

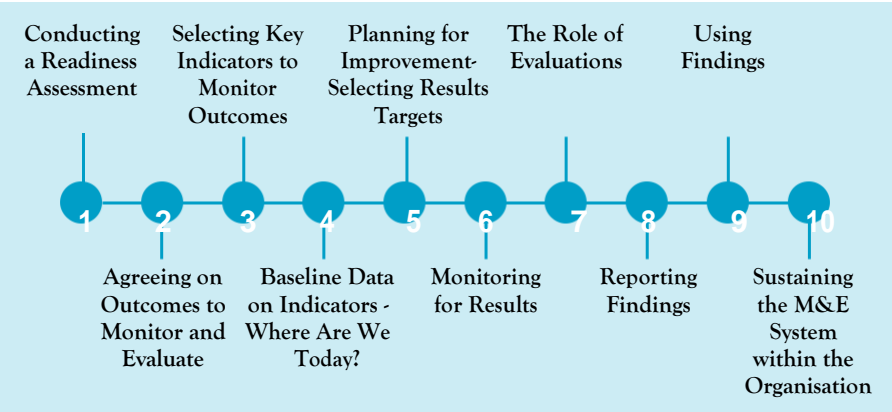


Annex 3: A Results-Based M & E System

The 10-step Results-based M&E system developed by the World Bank is a powerful public management tool that Lagos State can use to demonstrate accountability, transparency, and results. It can help to build and foster political and financial support and harmony for common policies, programmes, and projects. Also, the system can help the government build a solid knowledge base. Importantly, a results-based M&E system can bring about major political and cultural changes in the way governments and organizations operate - leading to improved performance, enhanced accountability and transparency, learning, and knowledge.

The ten-step model presented below may be used for policies, programmes, and projects. Though visually it appears as a linear process, in reality it is not. One will inevitably move back and forth along the steps, or work on several steps simultaneously. Each of the 10 steps is elaborated below.

Ten Steps to Designing, Building and Sustaining a Results-Based Monitoring and Evaluation System



Source: Kusek and Rist (2004)

Step 1: Conducting a readiness assessment

This step is frequently omitted in many models of M&E systems but it represents an important diagnostic tool that helps determine whether a government is actually ready and able to move forward in building, using, and sustaining a robust M&E system. The three main parts of the readiness assessment include an examination of incentives or demands for designing and building a results-based M&E system, roles and responsibilities and existing structures for assessing performance of the government, and capacity building requirements. The readiness assessment tool looks at eight key areas, including the following: what or who is encouraging the need for M&E systems; motivations of champions; ownership and beneficiaries of systems; how the system will support better resource allocation and achievement of goals; dealing with negative or detrimental information generated by M&E; existing capacity to support M&E systems; and links between the M&E system and project, programme, sector, and state government goals.

Step 2: Agreeing on outcomes to monitor and evaluate

All governments must set goals; regardless of whether they have the capacity to conduct M&E. Outcomes will show which road to take. Building the M&E system is essentially a deductive process in which inputs, activities, outputs, and outcomes are all derived from the setting of longer term strategic goals. Likewise, setting outcomes is the first building block for, developing a performance framework. Indicators, baselines, and targets will all flow from the; outcomes. Building M&E systems is a participatory political process, and key internal and, external stakeholders should be consulted during the various steps of the model—including, the readiness assessment, the setting of outcomes, establishment of indicators, and so on. Critical stakeholders and their main concerns will need to be identified. Existing problems need to be reformulated into a set of positive outcomes. Outcome statements need disaggregation, and each statement should contain only one goal. (This becomes important when developing indicators and targets). Agreeing on strategic priorities and outcomes will then help drive resource allocation.

Step 3: Selecting key performance indicators (KPIs) to monitor outcomes

KPIs can only be set after agreeing upon' and setting common goals. As with the case of outcomes, the interests of multiple stakeholders should

be taken into account when selecting indicators. Indicators are the quantitative or qualitative variables that provide a simple and reliable means to measure achievement of goals. Indicators should be developed for all levels of the results chain, meaning that indicators will be needed to monitor progress with respect to inputs, activities, outputs, outcomes, and impacts continually. Good performance indicators should be SMARTG&SI.

Step 4: Obtaining baseline data on indicators

These are derived from outcomes and indicators. A performance baseline is basically information -qualitative or quantitative - that provides data at the beginning of, or just prior to, the monitoring period. It is used as a starting point from which to monitor future performance. Building baseline information requires paying attention to eight key questions: sources of data, data collection methods, who collects data, how often data are collected, cost and difficulty to collect data, who analyzes data, who reports data, and who uses data.

Step 5: Selecting results targets

Targets are the interim steps on the way to a longer-term outcome. Again, a deductive reasoning process is involved, in which targets are based on outcomes, indicators, and baselines. Selecting targets should also entail a consultative, political, participatory process with key stakeholders. Targets can be determined by adding desired levels of improvement to baseline indicator levels (assuming a finite and expected level of inputs and activities). Targets should be feasible given all of the resource (input) considerations. Each indicator is expected to have only one target over a specified time frame. Target setting is the final step in building the performance framework. The performance framework in turn becomes the basis for planning—with attendant implications for budgeting, resource allocation, staffing, and so forth.

Step 6: Monitoring for results

This step covers both implementation monitoring (means and strategies) and results monitoring. The key principles of building a monitoring system include recognizing the performance information needs at the policy, programme, and project levels; the need for performance information to move both horizontally and vertically in the organization; identifying the demand for performance information at

each level; and identifying the responsibilities at each level. The major criteria for collecting quality performance data are the reliability, validity, and timeliness of the data. Every monitoring system needs ownership, management, maintenance, and credibility.

Monitoring for results also calls for data collection and analysis of performance data. Building the monitoring system framework means that each outcome will require an indicator, baseline, target, data collection strategy, data analysis, reporting plan, and identified users. Achieving results through partnership is essential. Means and strategies will need to be set by multiple partners. It is advisable to recognise that resources for conducting performance assessment exercises could come from outside the sector MDAs or even the state government, for example, the donor community.

Step 7: Using evaluation information to support a results based M&E system

Monitoring and evaluation are complementary. Evaluation information can be used for a variety of purposes: making resource allocation decisions; rethinking causality of problems; identifying emerging problems; supporting decision-making in selecting among competing alternatives; supporting public sector reform; and so on. Evaluation information can also be relevant at all phases of a given policy, programme, or project cycle. The timing of evaluations is another consideration. Evaluative information is essential when: (a) regular measurements of key indicators suggest a sharp divergence between planned and actual performance; (b) performance indicators consistently suggest weak or no results from an initiative; (c) resource allocations are being made across policies, programmes, or projects; and (d) similar projects, programmes, or policies are reporting[^] divergent evidence of outcomes.

M&E specialists recognise seven different types of evaluation: performance logic chain, pre-implementation assessment, rapid appraisal, case study, meta-evaluation, impact evaluation, and process implementation. Each is appropriate to specific kinds of evaluation questions. Quality evaluations can be characterized by impartiality, usefulness, stakeholder involvement, value for money, feedback and dissemination, and technical adequacy.

Step 8: Reporting Findings

Continuous performance data and findings should be used to help improve policies, programmes, and projects. In analysing and reporting data, the more data measurements there are, the more certain one can be of trends, directions, and results. There is an implicit trade-off between measurement frequency and measurement precision. Cost and capacity also come into play. Performance data should be reported in comparison to earlier data and to the baseline. Also, to measure and compare against expected results, one must be able to compare present and past circumstances. Monitoring data are not causality data. They do not tell why an event occurred. It is also important to take into account the target audience when reporting findings.

Step 9: Using Findings

There are a wide range of uses of performance findings. For example, performance-based budgets budget to outputs, but also help decision makers manage outcomes. Another noteworthy phenomenon is that if performance information is asked for, improved performance is more likely to occur. Using continuous findings can also help to generate knowledge and learning within governments and organizations. Building a credible knowledge management system is another key component of using findings. There are a variety of strategies that can be used to share information. A good communication strategy is essential for disseminating and sharing information with key stakeholders. Sharing information with stakeholders helps to bring them into the business of government and can help to generate trust. This is, after all, one of the purposes of building a results-based M&E system.

Step 10: Sustaining the M & E System

Sustainability of M&E systems can be enhanced in six ways: existence of demand by stakeholders for M&E information, clear roles and responsibilities, incentives, trustworthy and credible information, accountability, and capacity.

Annex 4: Guidelines on the PMR Process

A. Planning Phase

A key stage in the annual performance review process is the MTSS development process which must have established the relevant sector KPIs. It is based on the presence of this essential document that the Honourable Commissioner (MEPB) can commence the annual review process.

- ✍ The Honourable Commissioner of MEPB through the M&E Department notifies the Honorable Commissioner(s) of the MDAs/sector for the development/commencement of the annual Performance Management Reporting and review process, providing the rationale for its necessity.
- ✍ Upon notification, each sector is expected to constitute its **Sector Performance Management Report Development Team members** (representing all the agencies in the MDA).
- ✍ These core members are initially trained by MEBP M&E TWG using this guideline and tools. However, subsequently, trained members - shall conduct training for its members. It must be noted that MTSS development group in the sector is represented in this **Sector PMR Development Team**.

B. Fieldwork or analysis Phase

- ✍ In each sector, it is expected that the Honorable Commissioner shall hold a formal briefing to all management staff to secure their participation, support and commitment for the success of the activities.
- The core **Sector PMR Drafting Team** members shall be responsible for gathering relevant data and evidences, extracting important and analysed data within the sector/MDA and preparing it into master data according to the KPIs. The team shall ensure the integration of this synthesised data and information into the report content, and ensure complete and full reporting while adhering to the Performance Evaluation Guidelines.
- The M&E TWG continues to provide technical support to the Sector throughout the data gathering and reporting process.
- After the report has been prepared, the team shall also be responsible for the distribution of both the interim and final reports.
- A formal submission of the Final Report with the MEBP summarized review incorporating sector/MDAs responses shall be made to Lagos State Exco through the HOS and State Steering Committee.

C. Stakeholders and Citizens Engagement on Sector/MDA performance Phase

- Communication with the stakeholders as identified in the Sector Performance Management Report shall take the form of workshop with distribution of the published report, web uploads on the internet and intranet.
- Sector/MDA shall develop communication tools to inform citizens on Performance and lessons learned through updated websites, media documentaries and by using the Lagos State Town Hall meetings and organizing Community leaders meetings at LGA level.



Abesan, 113
 Abuja, 30
 Abule-Egba landfill site, 110
 access roads, 166
 Access to Finance, 67
 accident rate, 162
 accountability, 227, 229,
 239 Accountant-General of
 the Federation, 219
 Adeniran Ogunsanya College
 of Education, 88
 Adiyari II & III, 223
 Adiyari Waterworks,
 76 Adiyari, 222
 Administration of Criminal
 Justice Law, 190
 ADR Systems, 191 adulterated
 drugs, 180 aesthetic transport
 systems, 165 Africa, 27, 42, 56, 58,
 68, 134, 144, 214
 Africa's Model Megacity Vision,
 154 African Carbon Asset
 Development, 111
 African Continent,
 23 Agaga (Epe), 58
 Agbado, 74 Agbowa,
 50 Agege, 30, 49
 AGO, 205
 agri-business ventures, 57, 59
 Agri-Business, 44, 46, 59, 60, 6
 - operations in Lagos,
 59 Agricultural GDP, 57
 Agricultural Training Institute,
 Araga-Epe, 61
 Agriculture, 2, 10, 57, 245
 - and Minerals, 45
 - Key policies in, 62
 Agriculture Sector, 61, 213
 - issues in, 62-63
 - opportunities in, 62
 Agro-based MSME industry, 144
 Agosto & Co., 218
 air pollution, 154
 Air Unit, 101
 airlines, 47
 airport facilities, 139-140
 Ajangbadi, 49
 Ajeromi/Ifelodun LGA, 86
 Akute Power Project, 222
 Akute Waterworks, 76
 Alausa, 113
 Alimosho, 49, 86
 Alimosho area, 136, 142
 Alimosho Local Government,
 110 alternative energy sources,
 160 ambulance boats, 179
 Amuwo Odofin,
 168 Annual
 - Budget, 33, 37
 - budgets 244
 - Education Sector Report, 227
 - Performance Evaluation
 Report and Review, 246
 - Performance
 Management Review, 21, 247
 - School Census, 2010/11,
 173 Antarctic, 120
 Anti-Terrorist Squad,
 101 Apapa, 105, 168
 - Amusement Park, 56
 Arbitration Law (2008),
 104 arbitration law
 reform, 190 Arctic, 120
 ART, 179
 Atlantic, 27
 - Ocean, 29, 54, 105
 - Waterfront, 48
 Auditor-General,
 227 Awori, 30
 Badagry, 24, 25, 28, 30, 31,
 54, 112, 119, 142
 - and Ikorodu axis, 63

- corridor, 49
- Creek, 29
- Expressway, 29, 119
- Slave route project,

55 Bankers' Committee,
 219 banks, 219
 Bariga, 49
 Benin Gulf oil fields, 151
 Benin, 1
 Benin/Dahomey Gulf,
 63 Bight of Benin, 28
 Billboards, 199
 Black Heritage Festival,
 55 'Black spots', 102
 Blood Transfusion
 Committee (BTC), 96
 Blue and Red Train lines,
 154 Blue line, 74
 Board of Traditional
 Medicine (BTM), 92, 96
 Bonds, 215, 219,
 220 BOOT PPP, 79
 boreholes, 168
 Brazil, 93, 103
 BRICS, 27

- as Brazil, Russia,
 India, China and South
 Africa, 27 BRT, 75

 Budget, 233

- Classification (BC), 226
- discipline, 226
- performance, 224, 226 Build
 Environment, 146 Building, 45
 Build-Operate-Transfer (BOT)
 methodology, 137 Build-Operate-
 transfer model, 160 Built
 Environment, 16
 - and Environmental
 Management, 5, 6
 - main policy areas, 16

 Bulk water, 200
 bursary awards, 175

Bus lay-bys, 74
 bus public transport, 161
 Bus Rapid Transit (BRT), 47,
 72, 166, 222, 223, 233 Buses
 (*Molues*), 72
 business incubator centres, 149

Cage and Pens culture, 58, 59
 Cairo, 42
 Cameroon, 32
 Canal Bank Roads, 196
 Capacity building on IMCI,
 179 capacity development, 237
 Cape Town, 42
 cassava flour milling,
 143 Cassava processing,
 61 CBN, 219
 Central Bank of Nigeria, 54
 Certificates of Occupancy, 49
 Chamber of Commerce, 236
 Charter of Accounts (CoA),
 226 children, 176, 183 CHOIS,
 147
 Christianity, 54
 CIAD, 225
 Citizen's Mediation
 Centre (CMC), 104, 191
 City of Lagos, 25
 Civil society groups, 234
 Classification of Functions of
 Government (COFOG), 20, 131

- Sectors,

 227, 239
 Climate Change, 5, 6, 120,
 194, 204, 205

- Summit, 120,

 121 CNG, 223
 Coastline Local Governments,
 108 Coconut production and
 processing, 61
 Coconut, 5

- as the most important
 economic tree in Lagos State, 59

- College of Health Technology (CHT), 96
- Communications, 45
- communities, 164
- Community Development Associations (CDAs), 99, 108
- Compressed Natural Gas (CNG), 157
- Conservation and Climate Change, 16
 - key policies, 16
- Constitution of the Federal Republic of Nigeria (1999), 30
- Construction, 3, 44, 45
- consumer associations, 236
- Cooperative
 - Home Ownership Incentive Scheme (CHOIS), 50
 - Housing Schemes, 50
 - Societies, 57
- Cooperatives, 150
- Coscharis Group, 45
- coupon payments, 219
- coupon rates, 219
- CP, 232
- Crash Prevention Guidance (CPG), 74, 163
- crime statistics, 187
- crimes, 188
- Criminal investigations, 188
- criminal justice, 190
- CSOs, 234, 246
- cultural heritage, 165
- curriculum, 175
- debt
 - capital markets, 219
 - Issuance Programme, 220
 - Issuance, 218
 - market, 219
 - Service Account, 218
- Department
 - for Private and Special Education Programmes, 89
 - of International Development (DFID), 221, 232
 - of International Development, 160
 - dependency syndrome, 187
 - Design-Build-Operate-Transfer, 166
 - Design-Build-Operate-Transfer (DBOT) model, 137, 223
 - Development
 - Agenda for Western Nigeria (DAWN), 33, 34
 - Education, 173
 - Partners, 99
 - Pillar, 20, 106
 - Pillars, 8, 36
 - Policy Operation (DPO), 18, 220, 221, 224
 - DFID, 89
 - disease surveillance network, 180
 - distribution lines, 158
 - distribution network, 158, 159, 160
 - District Master Plans, 202, 203
 - Doctors, 5
 - Domestic Violence, 184
 - Donor Agencies, 89
 - Donor Coordination Framework, 234
 - DOTS, 177
 - Drainage
 - and Flood Control, 5, 6
 - channels, 194, 195, 196
 - Master Plan, 6, 108
 - system, 16
 - drugs, 183
 - Dumpsites, 199
 - Early Childhood Care, 173
 - Early Childhood Care Development and Education (ECCDE), 13, 86, 87
 - Programme, 173

Easter, 55
 eco-friendly transport services, 162
 ECOWAS, 42
 Edo (Bini), 30
 Education, 4, 5, 12, 172
 - Districts, 88
 - Sector, 227
 Efik, 30
 Egbe, 49
 e-Health, 178, 181
 Ehingbeti Economic Summits, 234
 Ehingbeti Summit, 135
 -Summits, 35, 36
 Ekiti, 142
 Eko Atlantic City, 70, 119
 Eko Distribution, 156
 Electric Power Sector Reform Act, 2005, 157
 electricity generation, 155
 EMONC, 179
 ENCC, 179
 Energy Audit, 69
 - calculator, 69
 energy security, 158
 English, 174
 entrepreneurial skills, 175
 enterprise skills, 138
 Enterprise Zones, 136, 140
 Entrepreneurial Training Centres, 15, 186
 Environmental Management, 16
 - main policy areas, 16
 environmental protection, 167, 215
 Epe, 24, 25, 28, 30, 31, 108, 142
 Equity Ownership model, 160
 equity, 239
 Eric Moore, 113
 Erosion Prevention Master Plan, 196
 essential drugs, 177
 Eti-Osa, 59, 112
 European countries, 30
 Ewu-Elepe Scheme, 50
 Examinations Board and Agency for Mass Education, 88
 Executive Council, 36
 Executive, 25, 30
 Expanded Programme on Immunisation (EPI), 179
 export, 139
 external loans, 154
 fairness, 239
 fake drugs, 180
 Family Planning Commodities, 179
 Farm Estates, 142, 143
 FDI, 211
 Federal
 - Airports Authority, 55
 - Capital Territory, Abuja, 30
 - Government, 11, 30, 47, 51, 57, 63, 71, 91, 95, 113, 154, 157, 159
 - Government of Nigeria
 bonds, 219
 Government Policies and Strategies, 212
 grants, 154
 loans, 134
 Ministry of Lagos Affairs, 30
 Mortgage Bank of Nigeria (FMBN), 50
 - as Primary Mortgage Institution, 50
 oil income, 63
 Reforms, 159
 Republic of Nigeria, 31
 Transfers, 215, 216
 Fela Museum, 56
 Ferries, 72, 75
 ferry boats, 154
 fertilisers, 187
 Festac, 113

Film City, 119
 Film Industry, 11, 56
 Finance, 17
 Finance and Commercial Sectors, 11
 financial allocations, 154
 Financial sector, 141
 Fire Service, 102 Fish
 Farm Estates, 58
 Fitch Ratings, 218
 Five Cowries Creek, 29
 Flash flooding, 194
 Flood Disaster Early Warning and Advocacy Mechanism, 196
 Flood management, 196 Flooding and Erosion, 15
 - main policy areas, 15 Flooding, 194, 195, 204 Food and Agricultural Organisation, 58
 Foreign Direct Investment (FDI), 18, 221
 Forum of Federations, 245
 Free Trade Zones, 136, 140
 Free-Call Emergency Response Systems, 102
 French Development Agency (ADF), 18, 220, 221
 fruit production, 61
 fundamental human rights, 190

 G & SI, 227
 Gas Combined Cycle Power Plants, 71, 160
 Gas Master Plan, 157
 gas, 157, 205
 Gbagada II Scheme, 50
 GCR, 218
 GDP, 10, 45, 47, 48, 52, 53, 61, 75, 89, 94
 - growth rate, 144
 gender based violence, 184 gender violence, 185

 General Hospitals, 96
 General public, 128
 Generators, 6, 69, 115, 154
 GIS mapping, 204
 global financial crisis, 219
 Governor of CBN, 219
 Governor's Office, 247
 graduate engineers, 158
 grassroots women, 183, 187 Greeks, 105, 107
 green equipment, 205
 Greenfield Refinery, 63
 Greenhouse Gas emissions, 116 greenhouse gas, 205
 Growth Sectors, 9
 GSI, 224
 Guinea Coast of the Atlantic Ocean, 28

 Hausa, 30
 Head of Service, 16
 Health, 4, 13, 13
 - Information Management System (HIMS), 181
 - infrastructure, 178
 - key policy areas, 14
 - Maintenance Organisation (HMO), 181
 - practitioners, 180
 - programmes, 178
 - records, 181
 - sector's mandate, 176
 - Service Commission (HSC), 95-96
 Heritage week, 55
 higher capacity transformers, 158 Higher Education, 138 Highways, 166
 Historic areas, 200, 203, 206 HIV test kits, 179
 HIV/AIDS, 89, 93, 177, 183 HOMS, 147
 Hospitality Industry, 11, 150

Hospitality Sector, the,
 53 hospitals, 172
 Hotel Licensing Authority, 55
 House of Assembly (HoA), 25, 36,
 225
 Housing and Community
 Amenities, 51 Housing,
 12, 245
 - and Construction, 10
 - main policy areas, 10
 - Programmes, 147
 - "Quality Standards", 148
 - Survey, 51
 Humans Resources Units, 233

 Iba New Town Development
 Scheme, 70
 IBA Road, 110
 Ibeju-Lekki, 112
 Ibibio, 30
 IBILE, 24, 28, 31
 ICT, 52, 87, 89, 169
 - industry, 169
 - manpower,
 169 Iddo-Ijoko axis,
 47 Idimu, 49
 IFC, 160
 Igbara, 30
 Igbo, 30
 IGR, 17, 18, 146, 211,
 225 Ijaw, 30
 Ijebu, 30
 Ijegan, 74
 Iju, 222
 - Waterworks, 76
 Ikeja, 24, 28, 30, 31
 - Distribution, 156
 - GRA power plant, 157, 223
 - II Scheme, 50
 - Industrial Area, 69
 - Local Government, 110
 Ikorodu, 30, 59, 142, 108
 - Industrial estate, 157

 Ikotun, 49
 Ikoyi, 168
 Ilara/Igbonla (Epe), 45
 Illegal dumpsites, 199
 IMCI, 179
 Imota (Ikorodu), 45, 58 Imota
 Agro Allied estate, 157
 Implementation Programme
 (IP), 2, 36, 37
 independent power producers, 158
 Independent Power Projects (IPPs),
 68, 69, 70, 76
 India, 93
 Industrial
 - Chemicals, 45
 - Development charge, 46
 - Estate Power Plants, 157
 - Estates, 45
 - Amuwo-Odofin, 45
 - Apapa, 45
 - Ikeja, 45, 49,
 - Ilupeju, 45
 - Isolo, 45, 49
 - Matori, 45
 - Ogba, 45
 - Ojo, 45
 - Oregun, 45
 - Yaba, 45
 - parks, 45, 46, 140
 Industry and Commerce,
 138 Informal
 - Economic Sector, 148
 - Economy, 148
 - sector, 3, 138, 141
 information technology
 infrastructure, 181
 Infrastructure, 154
 - Concession Regulatory
 Commission, 12, 160
 - Development Pillar, 52
 - Sector, 11
 - key priority areas, 11
 Integrated Rice Processing Mill, 60

Integrated Transport System and Traffic Management, 12
 Integrated Transport System, 164
 intellectual property rights, 141
 Intelligent Road Studs, 164
 Intelligent Transport System solutions, 74, 163
 internal revenue, 154
 Internally Generated Revenue (IGR), 51, 215, 216, 217, 218, 220
 international community, 229
 International donor agencies, 215
 Internet users, 80
 investment, 138
 investor confidence, 218
 Investors, 136
 Iponri, 113
 IPP solutions, 158
 Irrevocable Standing Payment Order (ISPO), 219, 220
 Isashi, 223

- Waterworks, 76

 Island Power Project, 222
 Isoko, 30
 Isolo Industrial estate, 157
 IT Infrastructure, 52

 Japan International Cooperation Agency (JICA), 221
 jetties, 154
 job creation, 158
 Johannesburg, 42, 56
 JSS 1, 175
 Judges, 5
 Judiciary, 5, 25, 30, 103
 Justice, 4, 5, 15, 239

- Aid, 5, 103
- Sector, 5, 192
- sector reform, 190

 Kaduna, 142
 Kenya, 32
 Ketu-Ereyun (Epe), 58

Key Performance Indicators (KPIs), 2, 37
 Kick Against Indiscipline (KAI) Brigades, 187
 Korea International Cooperation Agency (KOICA), 221
 Kuramo Waters, 29
 Kweme River, 29
 Labour Organisations, 137
 LADOL facilities, 63
 LADP Implementation Framework, 244
 Lagoon, 116
 Lagoons, 105, 107
 Lagos

- agricultural land, 141
- Agriculture sector, 135
- Air Quality Monitoring Study, 116
- Airports, 48
- as a prime investment location, 138, 139
- Building Investment Company Limited (LBIC), 50
- Bureau of Statistics, 32, 34
- Bus Asset Management Limited (LAGBUS), 72
- Carnival, 55
- City Council, 30
- City, 4, 67, 68
 - as Africa's Mega City of choice, 4
- Court of Arbitration, 104
- Digital Village, Ikeja, 52
- Distribution, 135
- Economic Council, 135
- economic sectors, 150
- economy, 41, 42, 43, 46, 47, 56, 61
 - statistics of, 41
- finance and commercial sectors, 150
- finance sector, 135



- GDP, 57
- Gross Domestic Product (GDP), 42
 - as the Fourth largest in Africa, 42
 - challenges of, 43-44
 - Home Ownership and Mortgage Scheme (Lagos HOMs), 50
 - Household Survey (2011), 42
 - informal sector, 135
 - Internal Revenue Service, 215
 - Island, 5, 30, 69, 91, 112, 222
 - Island/Ikoyi, 105
 - Islands, 24, 31
 - job creation, 148
 - land use policy, 142
 - Mainland, 108, 112
 - Mega City, 28
 - Metropolitan Area Transport Authority (LAMATA), 72, 116
 - Law, 2007, 222
 - Metropolitan area, 25
 - Metropolitan Development and Governance Project (LMDGP), 108, 117, 220
 - Municipality, 30
 - Oil and Gas production, 135
 - population, 178
 - Port, 53
 - power sector, 135
 - power supply, 154
 - State Information System, 135
 - tax regime, 135
 - tourists, 145
 - workforce, 136
- Lagos, 31, 125
 - as a Mega city, 126
 - economy, 133
 - failed city, 126
 - GDP, 133, 134, 142, 143
 - growth sectors, 134, 138, 139
 - inflation rate, 134
 - Local Governments of, 31
 - model mega city, 126, 150
 - population of, 31
 - Strategic Transport Master Plan, 164
 - Tourism Promotion office, 55
 - Urban Transport Project I, 221
 - Vision, 126,
 - Waste Management Authority (LAWMA), 109, 110, 111
 - Water Regatta, 55
 - Wildlife and Resort, 56
- Lagos State, 103, 128
 - Aids Control Agency (LSACA), 96
 - Audit Law, 2011, 222
 - Bureau of Statistics, xv, 42, 112
 - Development and Property Corporation (LSDPC), 49
 - Drivers Institute (LASDRI), 72
 - Economic Empowerment and Development Strategy (LASEEDS), 2005-2007, xv, 33
 - Electricity Board (LSEB), 69, 70, 155, 160
 - Emergency Management Agency (LASEMA), 26
 - Environmental Protection Agency (LASEPA), 115, 116, 119-120
 - Government (LASG), 8, 50, 52, 68, 71, 75, 79, 109, 127
 - Guideline and Training Pack for developing and implementing a Performance Management Report and Review Process (2010), 246
 - House of Assembly, 30
 - Infrastructure Maintenance

and Regulatory Agency (LASIMRA), 169

- M & E Governance Framework, 247
- Managed Care agency, 181
- Ministry of Health (MOH), 95
- Ministry of Housing, 49
- Public Finance Management Law, 2011, 222
- Public Procurement Law, 2011, 222, 226
- Road (PSP) Law, 2007, 222
- Safety Commission, 101, 102
- Security Trust Fund, 101
- Signage and Advertisement Agency (LASAA), 46
- Solar Farms, 157
- Teaching Hospital (LASUTH), 157
- Technical and Vocational Education Board (LASTVEB), 88
- Tender Board, 49
- Tourism Information Centre, 55
- Traffic Management Authority (LASTMA), 72, 75
- University (LASU), 88, 110
- University Teaching Hospital (LASUTH) Board, 95
- University Teaching Hospital (LASUTH), 223
- University Teaching Hospital, 71
- Urban and Regional Planning Law, 2005, 222
- Urban Renewal Authority (LASURA), 49
- Urban Renewal Board, 49
- Wastewater Management Office (LSWMO), 112
- Water Corporation (LAWC/LWC), 76, 112, 222
- Water Regulatory Commission, 79
- Water Sector Law, 2008, 222
- Waterways Authority (LASWA), 72, 73
- Law (2008), 222

Lagos state, 103

- number of lawyers called to Bar since 1887, 103
- private primary schools in, 84
- private secondary schools in, 84
- public junior secondary schools in, 84
- public primary schools in, 84
- public senior secondary schools in, 84
- enrolment figures, 84-85
- life expectancy of, 99

Lagos State's natural resources, 158

Lagosians, 25, 75, 91, 99, 166, 168, 176

Lagos-Lekki corridor, 32

Lairage Complex, Agege, 58

Lamba-Hausa, 49

Lamgbasa Centre, 59

Land, 128, 146

Landfill compactors, 199

Landfill sites, 198

Lands Bureau, 50

LASEPA, 206

LASG Old Secretariat, 157, 223

LASG Strategic Plan, 159

LASG, 89, 98, 100

LASG/World Bank DPO, 224, 226

LASGEMS, 175

LAWMA, 206, 215

Lawyers, 5

Lazard, 71, 160

LCDA, 177, 184
 LCDAs, 235
 LCDs, 108
 LDCs, 247
 Legislature, 25, 30
 Lekki, 48, 119, 142

- Free Trade areas, 48
- Free Trade Zone, 53, 63
- Peninsula, 25, 29
- Phase 1, 157, 223
 - Concession, 79
- Toll road, 137
- water works, 157

 Lekki-Epe Expressway, 222
 LGA, 177, 184
 LGAs, 108, 235, 247
 LGAs/LDCs, 119
 Library Board, 88
 life boats, 179
 Liquid waste management, 200
 LLINs, 179
 Loans, 215
 Local Government Areas, 159, 161
 Local Government Education Authorities (LGEAs), 88
 Local market finance, 224
 Los Angeles, 32
 Low/Medium Housing Programme, 50
 LSDP, 213

- and development pillars, 127, 128, 130

 LSS, 179
 LSWMO, 114

 M & E information, 246

- champions, 247
- services, 247
- system, 247
- units, 247

 Mafoluku, 49
 Magistracy, 5, 103
 Maiyegun Tourism Scheme, 54

 Majidun and Erikodoro (Ikorodu), 59
 malaria, 93, 177
 Malaysia, 103
 Mama kits, 179
 manpower, 180
 Manufacturing, 3, 10, 44, 45

- industry, 139
- key policy areas, 10
- Sector issues, 46-

 47
 Marina, 74, 222
 Marine Unit, 101
 markets, 13
 Maroko foreshore, 54
 mass transit systems, 205
 Master Plan for Metropolitan Lagos, 48
 Master Plans, 15, 51, 118, 119, 195
 maternal mortality rate, 177
 Mathematics, 174
 Matori Industrial estate, 157
 MDA, 20, 21
 MDAs, xv, 8, 9, 16, 28, 30, 33, 34, 88, 130, 131, 135, 188, 192, 215, 225, 226, 232, 233, 236, 237, 238, 239, 242, 247, 249
 measles, 177
 median barriers, 74, 164
 Medium Term

- Budget Framework (MTBF), 134, 225, 230
- Economic Framework (MTEF), 28
- Expenditure Framework (MTEF), 33, 230, 243, 244
- Sector Strategies (MTSS), xvi, 2, 28, 33, 34, 37, 130, 139, 213, 217
- Strategy Framework (MTSF), 230
- Sector Strategy (MTSS), 106

 Mega City, 31, 41, 68, 71
 Megacity, 26

MEPB, 227, 247, 249
Metropolitan Lagos, 105
Micro, Small and Medium Enterprises (MSMEs), 2-3
Micro-credit, 61
 - scheme, 64
Millennium Development Goals (MDGs), xv, 87, 235
Min-Buses (*Danfós*), 72
Minerals, 2
Ministries of Agriculture and Rural Development, 100
Ministry
 - of Commerce and Industry, 65, 99
 - of Economic Planning and Budget, 247
 - of Economic Planning and Budgeting, the, 16, 20, 28
 - of Education (MoE), 88, 89, 172
 - of Energy and Mineral Resources Development (MEMRD), 70
 - of Energy and Mineral Resources, the, 63
 - of Environmental Services (MES), 206
 - of Finance, 16, 20
 - of Health, 89, 176, 181
 - of Information, 89
 - of Information and Strategy, 120
 - of Justice, 17, 103, 238
 - of Physical Planning and Urban Development, 118
 - of Science and Technology, 52
 - of Special Duties, 99
 - of the Environment, 106, 109, 112, 116
 - of Transport, 72
 - of Women Affairs and Poverty Alleviation, 89, 99
 - of Youth and Sports, 99
MNCH, 179
Mobil Junction, 74
Mobile Unit, 101
Model City Plans, 119
Model Mega City, xiii, 7, 11, 25, 27, 56, 114
Monitoring & Evaluation (M & E), 241, 242, 243, 245, 247
Motherless Babies Home, 100
motor parks, 13, 202
Motor Vehicle Administration Agency (MVAA), 72
motor-cycles, 6, 72
MSME, 63, 64
MSMEs, 45, 47, 142, 148
MTCPT, 179
MTN Lagos Street Soccer Championship, 100
MTSS manual, 174, 225, 226, 230, 231, 233, 242, 243, 244, 246
 - monitoring and Review, 246
5, 226, 230, 231, 233, 242, 243, 244
MTSSs, 250
MTTS, 18, 21
Multi-lateral agencies, 220
Multi-tranche Debt Issuance Programme, 18, 217
Mumbai, xv, 2, 31
Murtala Mohammed International Airport, 48, 55
Mushin, 30, 49
Mutual Health Organisation (MHO), 181
National and State Economic Empowerment and Development Strategies (NEEDS and LASEEDS), 87
national debt market, 218
National

- Democratic Institute, 245
- Economic Council, 245
- Grid, 156
- Health Insurance Scheme, 95
- Institute of Tourism and Hospitality, the, 55
- Policy on Education (NPE), 87
- Primary Health Care Development Agency (NPHCDA), 179
- Natural
 - environment, 165
 - gas, 157
 - monuments, 206
- negative emissions, 162
- Neighbourhood Plans, 15, 195, 202, 203
- Neighbourhood Watchers, 187
- Neighbourhood Watches, 101
- NERC, 155, 157
- New Security Initiative, 102
- New York, 32
- NGOs, 176
- NIGCOMSAT, 81
- Niger dock, 63
- Nigeria, xiii, 27, 28, 30, 42, 46, 53, 57, 58, 69, 93, 103, 111, 138, 154, 157, 160, 245
 - and corruption, violence and poor quality, 139
 - and security, 189
 - Association of Small Scale Industrialists (NASSI), 64
 - Conservation Fund, 59
 - Educational Research and Development Council, 89
 - Governors' Forum (NGF), 245
 - Police Force, 101
 - Railway Corporation, 47
- Nigerian
 - Association of Small and Medium Scale Enterprises (NASME), 64
 - Conservation Foundation, 56
 - Tourism Development Corporation, 55
- NIMASA, 73
- NIWA, 73
- Noise, 154
 - pollution, 162
- non-motorised transport infrastructure, 161
- non-oil GDP, 3
- Nupe, 30
- Nurses, 5
- O and O Gas & Power, 222
- Odomola I to III, 223
- Office
 - for Public-Private Partnerships (PPPs), 137, 138
 - of Public, Private Partnerships, 17
 - of the Accountant-General, 227
 - of the Auditor-General, 17, 238
 - of the Head of Service, 20
 - of the Public Defender (OPD), 191
 - of the Special Adviser on Education (OSAE), 88
 - of Transformation, 16, 20
- Ogba, 50
- Ogu, 30
- Ogun River, 29
- Ogun State, 25, 28
- Oil and Gas, 2, 63
- Oil and Gas Industry, 11, 151
- Oil and Gas Logistic and Fabrication Bases, 63
- Ojo LGA, 86, 112
- Ojo, 49, 142
- Okadas, 161

Oke-Afa, 74, 113
 Okobaba Sawdust Plant,
 116 Okobaba Sawmills, 205
 Okokomaiko, 74
 Okunde Blue Waters,
 54 old people, 183, 186
 Olodi-Apapa, 49
 Ologe and Yewa (Badagry), 59
 Olushosun Landfill site, 110,
 111 Omole Gouge, 74 Omu
 Creek, 29
 Oracle Financials, 224, 226
 Organised Private Sector, 99,
 187 orphaned children, 15
 orphans, 186
 Orphans and Vulnerable
 Children (OVC), 186
 OSAG, 225
 Oshodi, 49, 110
 Oshun River, 29
 Osun, 142
 Otta ikosi, 223

 PATH, 244, 245
 PEFA, 225
 Peninsula Power plant, 157
 Pension Fund Pools, 218
 People's Advisory Centre (PAC),
 191
 Performance
 - Agreements, 231, 232, 245,
 246
 - Agreement and
 Service Charters, 21
 - monitoring of, 21
 - Management
 Report Committee, 249
 - Management Report
 Drafting Team, 249
 - Management Review
 (PMR), 21, 227, 245
 - process, 21
 Physical Master Plans, 136, 137

 Physically challenged, the, 185
 Pillars, 2
 Pinnacle City, 70
 plea bargaining, 190
 10-Point Agenda, 2003-2007, xv,
 33, 34, 87
 Police, 187
 Policies, 154
 Policy-Base Guarantees (PBG), 18
 220
 politics, 184
 "Polluters pays", 197
 Pollution, 5, 6, 15, 193, 195, 197

 - main policy areas, 15-
 16 population growth, 172,
 218 Population/ Family Life
 Education, 89
 - Curriculum of, 89
 Port Novo Creek,
 29 ports, 139
 Portugal, 103
 Posters, 171, 184, 199, 234
 Power Holding Company
 of Nigeria (PHCN), 70, 159
 power plants, 223
 Power, 3, 11, 24, 244
 - Agriculture, Transport
 and Housing (PATH), 10, 135
 - key policy areas, 11
 - sector, 4, 154, 155
 - Sector Long Term Plan
 and Strategy, 158
 - Sector Reforms, 159
 - stations, 160
 PPP, 6, 12, 56, 57, 61, 62, 71,
 89, 111, 112, 221
 - Office, 63, 222, 238
 - Potential new Projects, 223
 - Projects, 119
 - Ventures, 144
 PPPs, 75, 109, 111, 189
 - challenges, 223

- PPPs Initiatives, 174
- Preventive Care and Disease Management, 94
 - guiding programmes, 94-
- 95 Price Waterhouse Cooper, 71, 212 Primary
 - Care, 5
 - Care System, 91
 - Health Care Board (PHCB), 96
 - health care, 176, 179
 - centre, 177
- Prison inmates, 190
- Private Schools, 5, 174
- Private Sector, 147, 159, 166, 178
 - Companies, 137
 - Investment, 138
 - Participation, 74 Private
- security agencies, 187
- Procurement Officers, 226
- professional associations, 180
- Programme Based Budgeting, 226 Projects Monitoring Office, 17, 238
- Proposed water works, 167
- Public Accounts Committee (PAC), 217, 234
- Public
 - health, 169
 - order, 190
 - parks, 203
 - Private Partnership (PPP), 45, 46, 101
 - schools, 173
 - Sector, 136, 166
 - transport operators, 163
 - works programme, 187
- Public-Private Partnership Law, 2011, 222
- Public-Private Partnerships (PPPs), 79, 154, 160, 166 Public-Private Sector Partnerships (PPPs), 13, 18

- PWC analysis, 160
- quasi-policing agencies, 187
- Radio jingles, 199
- Rail Infrastructure, 3
- rail transport, 161
- railways, 47
- Rainfall, 194
- Rapid rail transit system, 223
- Rapid Response Squad (RRS), 26, 102
- Real Estates, 45
- recreational parks, 13,
- 202 Re-cycling, 199
- Red and Blue Line networks, 166 Red line, 74
- Regional Master Plan, 119, 202, 203
- Regional Plan for Lagos, 118
- Regional, District and Neighbourhood Master Plans, 7
- Renewable Energy, 155, 156
- rent-to-own option, 50
- Republic of Benin, 28
- Research and Development, 4, 81
- residents associations, 236
- responsiveness, 229, 235
- Restoration of Urban Storm-water lines, 195
- Result-Based M & E System, 21, 245
- Retail, 3
- revenue generation, 158 right-of-ways (ROWS), 107, 108
- River
 - Aye, 223
 - Ogun, 223
 - Oshun, 223
 - Owo, 223
 - Owuru, 223
 - Solodo, 223
 - Yewa, 223

Road, 47, 157, 166, 187
 - junctions, 164
 - Markings and Signage, 74
 - safety, 164
 - signs, 164
 RoRo facility, 53
 rural cultural heritage, 203

 Sanitary landfill sites, 199
 Sanitation, 5, 6, 12, 187, 197,
 200 Sanitation Master Plan, 115
 SAT-3, 81
 Satellite Sites, 110
 Sawdust brick plant,
 200 Scholarship Board,
 88 scholarships, 175
 schools, 164
 Sea Ports, 53, 144
 - Apapa, 53
 - Tin Can, 53
 Second National urban
 Water Sector Reform Project,
 113 Sector and Master Plans,
 9 Securities and Exchange
 Commission (SEC), 219, 220
 Security, 4
 - and Safety Sector, 189
 - Initiatives, 187
 - trust fund, 190
 Selected Slum
 Neighbourhoods, 117
 septic tank liquors, 168
 Septic tank, 6, 168,
 201 Septic tanks, 6
 Service Charters, 231, 232, 233,
 245, 246
 Service Sector, 2
 Sewage Treatment plants, 201
 shallow wells, 168
 shipping lines, 47
 Shomolu, 108
 Simpson, 110
 single parents, 183

 Skills Acquisition Centres, 15,
 186 Slave trade, 54
 slum upgrading areas, 187
 Slums, 201
 SME, 43, 49, 65
 - sector, 138, 139, 141, 149
 SME/Informal Sector, 149
 SME/Informal sectors, 214 SMEs
 and the Informal Sector, 11
 - key policy areas,
 11 SMEs, 150
 SMF, 51
 Social Development and
 Environment Sectors, 18, 216
 Social Development and Security
 Pillar, 4
 Social Development and
 Security, 5
 Social Development Pillars,
 213 social health insurance,
 178 Social protection, 4, 14
 - key policy areas, 14
 - policy framework, 186
 - programmes, 184
 Software Engineering
 Training Institute, 52
 Sogunle, 49 solar
 energy, 156
 Solar Street Lighting,
 157 solid waste, 109
 - types of, 109
 Solid waste landfill sites, 200
 Solid Waste Management, 5,
 6, 16, 49
 - main policy areas,
 16 Somolu, 49
 South Africa, 103
 South West, Nigeria,
 60 SPARC, 226, 232
 sports centres, 184
 Sri Lanka, 103
 stakeholders,
 165 State

- Accelerated Agricultural Growth (SAAG)
- Bureau of Statistics, 1, 31
- Development Plan, 17, 26
- Education Sector, 87
- Executive Council, 30, 114
- Governor, 108
- Health Budget, 178
- Health Insurance Scheme (SHIS), 178, 181
- House, 222
- House of Assembly (SHoA), 212, 217, 224, 234, 246, 247
- Housing Policy, 51
- Internal Revenue Service, 65
- Partnership for Accountability, Responsiveness and Capability (SPARC), 28
- Peer Review Mechanism (SPRM), 21, 34, 233, 243, 245
- Peer Review Report (SPRR), 34
- Power Regulatory Authority, 71
- Public Health, 92
- Treasury Office (STO), 227
- Universal Basic Education Board (SUBEB), 88
- Vision, 233
- State's
 - bonds, 219
 - Integrated Financial Management Information System, 226
 - Power Corporation, 68
 - Sanitation systems, 193
- Statutory Allocations, 215
- statutory limits, 219
- storm damage, 204
- Storm Water
 - Drainage Master Plan, 195
 - Drainage Master Plans, 107
 - Drainage, 194
 - drainage Projects, 107
- Storm-water infrastructure management, 196
- Strategic Framework and Direction, 7, 8
- Strategic Management Framework (SMF), 2009, 33, 130, 212, 213
- street lights, 158
- Sub-Saharan Africa, 3
- Sub-Saharan African countries, 32
- Surulere, 50, 112
- Sustainable
 - Environment Pillar, 5
 - Sewage and Sanitation Strategy Policy (SSSSP), 12, 201
 - Sewage Sanitation Strategy (SSSS), 114
 - Sewage Sanitation Strategy Policy and State Action Plan, 114
- tampering, 158
- tariffs, 159
- task-sifting and task-sharing@ campaign, 178-179
- Tax
 - breaks, 136
 - holiday, 12
 - payers, 217, 236
 - regimes, 234
 - relief, 12
 - revenue, 217
- taxes, 171, 212
- Taxis, 72
- Teachers' Establishment and Pensions Office (TEPO), 88
- technical colleges, 165
- Telecom Mast and Towers, 169
- Telecommunications, 3, 4, 45, 68, 81, 187, 168
 - infrastructure, 4
- Telecommunications Systems, 138
- terminally sick, the, 187
- The 6 'Ins', 61

The Adamuorisha Play (Eyo), 54
 The Economic Development Pillar, 2
 The Solous sites, 110
 Tiv, 30
 Tokyo, xv, 2, 31
 Toll road projects, 137
 Tourism, 10
 - key policy areas, 10
 Tourism, 46, 68, 144
 Tourist Industry, 53, 56
 Tourist Strategic Plan, 56
 Tow trucks, 75
 Town Hall Meetings, 102
 Trade Associations, 65, 99, 236
 Trade unions, 137
 Traditional practitioners, 5, 180
 Traffic
 - Improvement Scheme, 74
 - lighting system, 248
 - management, 164
 - Signal Lights, 74, 164
 - System Management, 163
 Trains, 72
 Transfer Loading Stations (TLS), 6, 110, 199
 transit homes, 15
 transmission and distribution technology, 157
 transmission network, 159
 Transparency, 217, 227, 229, 235, 239
 transport system designs, 165
 Transport, 12, 245
 Transportation, 3, 161
 Treasury Single Account (TSA), 225
 Tri-cycles (Okadas), 72, 73
 tuberculosis, 177

 UBE intervention Funds, 176
 UN Education for All (EFA) Goals, 87
 UN, 18
 underground water abstraction, 167
 UNDP, 117
 UNESCO, 56, 89
 - Slave Route Project, 55, 56
 UNFPA, 89
 UN-Habitat, 31
 UNIDO, 56
 Unified Licensing Regime, 81
 United Kingdom, 103
 United Nations
 - Children Fund (UNICEF), 89, 120, 221
 - Development Assistance Framework (UNDAF), 221
 - Development Programme (UNDP), 221
 - Environment Programme, 111
 - Population Fund (UNFPA), 221
 universities, 165
 Urhobo, 30
 Value added Tax, 215
 Victoria Island, 105, 119, 168
 - Extension, 157
 - water works, 223
 Vision 20:2020, xv, 33, 34
 Vision of Lagos, 1, 23
 Vision of the State, 20
 Vocational
 - Education, 175
 - Skills, 136
 - Training Programme, 186

 wastages, 227
 Waste
 - collection materials, 199
 - management, 193, 197
 - Water Treatment Plants (WWTPs), 6, 112-113
 Waste-to-Energy, 156, 157



Wastewater, 168
 - Management, 168
 - treatment plants (WWTPs), 168
 Water, 3, 12, 24, 157, 187
 - and Sanitation Policy, 112
 - key policy areas, 12
 - Law (2004), 79
 - pollution, 154
 - sector, 4
 - sector objectives, 214
 - transport, 73, 154, 161
 - transport system, 223
 - transport systems, 166
 WC Septic tanks, 117
 wealth, 175
 Wealth generation practices, 199
 West Africa, xiii, 7, 27, 53, 54, 120, 126
 West African Region, 144
 West African Sub region, 169
 Western Region, 30
 Wetland Management Commission, 108
 Wetlands, 205
 wetlands management, 195
 WHCs, 179
 WHO Air Quality Control Guidelines, 197
 Wholesale, 3
 widows, 184, 187
 wire-mesh fences, 196
 Women, 176, 183, 185
 - Development Centre, 99
 - entrepreneurs, 149
 - population, 184, 185
 women's rights, 184, 185
 World Bank Lagos Metropolitan Development and Governance Project (LMDGP), 49
 World Bank, the, 12, 18, 49, 108, 113, 118, 160, 220, 221
 WWTP, 114
 WWTPs, 12
 Yewa River, 29
 Yoruba, 30
 youth centres, 184
 Youths, 99