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# GATEWAY

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## TO LAND & HOUSING IN NIGER STATE

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### ■ First Edition

Governor's Office  
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**The Chief Servant**  
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EXECUTIVE GOVERNOR OF NIGER STATE



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MI Wushishi 500 Housing Units Complex under construction in Minna

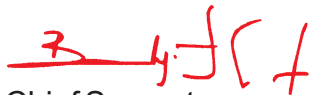
## Foreword

Niger State, with about 4 million people and with largest land mass and more than 80% arable land can be described as investor haven. The State has tremendous potentials that are yet to be fully developed. These include rich and arable land; home to the three national hydro-electric power stations; and very rich tourism facilities, such as the Gurara Falls, Kainji Lake National Park, Borgu Game Reserve etc.

This write up has articulated these potentials and our policies and programmes to ensure their full development, in an effective and sustainable manner. We reiterate the policy of this administration to work in partnership with all genuine private investors, Nigerians and foreigners, to fully develop the potentials of the State within the shortest time possible. We are truly in a hurry.

In order to achieve this objective, we have reorganized and repositioned all our Ministries and have established the required agencies, such as the Directorates of Public-Private Partnership and New Projects and Development Partners, among others as well as putting in place adequate incentives, to facilitate the full participation of the private investors for the mutual benefits of all Nigerlites and prospective investors. We have simplified land allocation process in the State. The Ministry of Land and Housing is now in a position to allocate land to genuine investors within one week.

You are all welcome to Niger State



Chief Servant,  
**Dr. Muazu Babangida Aliyu, OON,**  
(Talban Minna)  
Executive Governor of Niger State.

## *V*ision

To attain a safe, livable, orderly, sustainable and aesthetically beautiful urban environment through a culture of professionalism, ethics and effective service delivery to our people.

## *M*ission

Our Mission is to conceive and execute programmes and projects that shall lead to the realization of safe livable, orderly and conducive urban environment capable of making Niger State one of the top three economies in Nigeria by the year 2020.

## Preface

Gateway to Land and Housing in Niger State is a policy document of Government that introduces friends of Niger State to the Vision and Mission of addressing, on a sustainable basis, the acute housing problems of both the urban and rural areas of the State. The document provide a clear diagnosis of the housing problems and policy responses through an enabling environment for the private sector to fully participate in all aspects of housing delivery system. Other policy measures include the digitization of all land assets of the State; improving and simplifying access to land by all Nigerlites; improving the supply and quality of urban infrastructure facilities and services; and access to housing finance.

Since housing and urban development are two sides of the same coin, the Government has developed other, complementary urban policy and programmes that articulate the opportunities for developing the mineral resources, tourism, large scale housing development, irrigation etc in most parts of the State.

This document is divided into four sections, covering parts of the overall policies of government. The first section covers Sustainable Housing Strategy in Niger State. Section two covers Housing for all Nigerlites by the year 2020, while the third section covers Public-Private Partnership in Housing Delivery in Local Government Councils of Niger State. The last section articulates the challenges and opportunities for land in Niger State.

Our sincere gratitude goes to Dr. Mohammed Kuta Yahaya, the S.S.G, who despite his tight schedule still finds time to go through this document, to fine tune and clearly define the direction of this government on matters related to Land and Housing in Niger State.

This write up will be incomplete without the acknowledgment of the valuable benefits from wide range of materials consulted and personalities like Dr. Mustapha Zubairu.

Finally, I am grateful to the entire members of staff of the Ministry of Land and Housing for facilitating the preparation of this document.



**Hon. Salome Fatima N. Ndakotsu (Mrs.)**  
Commissioner,  
Ministry of Land and Housing,  
Niger State.



# SECTION ONE



## SUSTAINABLE HOUSING STRATEGY IN NIGER STATE

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Artist's impression of housing layouts for Niger State Citizens

## INTRODUCTION

*UN projections and the recent study by the Urban Demographics Panel of the US National Academy of Sciences (NAS) is that the expected demographic growth of developing countries will add about 2 billion new urban residents in the next twenty years. This finding, added to the existing numbers of 1 billion people currently living in slums, frames the “demand side” for the need for infrastructure and housing in developing countries. About 90% of this demand will occur in 48 countries, including Nigeria. Combining the current backlog of slum dwellers in those countries (about 925 million people) with the projected 1.9 billion additional people expected to live in slums, it is estimated that about 2.83 billion people needing housing and urban services by 2030 (NAS, 2003).*

Put simply, Minna and virtually all other urban areas of Niger State are experiencing growth that is unplanned and uncontrolled. This has resulted in the over stretching of the urban infrastructure such as water supply, electricity and growing environmental problem such as polluted water ways, air pollution, insufficient clean water supply, lack of sewage collection and treatment, chemical contamination of soils, piles of uncollected and rotting garbage, loss of forest and green space, bad roads etc. The cumulative effect of these environmental problems is acutely damaging not only the health of the people but also the ability of the cities to support economic growth.

The most visible evidence of this development is the large and rapidly growing slums and squatter settlements; and rising incidence of poverty. Recent study carried out by the Federal University of Technology, Minna shows that over 70% of the population of Minna lives in slums and squatter settlements. These areas are characterized by spontaneous development without infrastructure such as roads and water supply, while

the quality of majority of the buildings fall below acceptable level that can guarantee the health and safety of their occupants.

In the recent past, government's layouts in Minna have witnessed unbelievable illegal takeover by the "natives" and their subsequent conversions have severely reduced the chances of properly integrating the areas in to the urban fabric of Minna. A recent study of this phenomenon shows that a total of 104 Layouts have been illegally taken over by the natives; while a total of 7893 plots comprising 7164 residential plots, 151 commercial plots; and 528 industrial development plots, are effected.

### **CHALLENGES FACING NIGER STATE GOVERNMENT IN ESTABLISHING AN EFFECTIVE AND SUSTAINABLE HOUSING DEVELOPMENT SYSTEM**

It is obvious from the background analysis that without a comprehensive urban management reform, covering Minna in particular and other urban areas like Bida, Kontagora and Suleja; it will be extremely difficult, if not impossible, for Niger State Government to meet the housing demand of Nigerlites of various income groups. The urban reform which, in addition to establishing appropriate institutional arrangement and building requisite capacity, must address the following vital issues:

- Massive deficiency in infrastructure provision such as water supply, access roads and drainage and electricity. In the case of water supply there has been at least 10 years of under investment in all aspects. Virtually, old and obsolete water works, expansion of network to keep pace with the increase in the population and physical expansion of the city constitute extra burden to cope with.

- Re-integrating the 104 layouts illegally taken over by the “natives” into the fabric of Minna;
- Providing serviced plots to eligible Nigerlites and others to construct their houses;
- Establishing sustainable housing finance system (low interest and long term) for the low-income Nigerlites in particular;
- Upgrading the slum and squatter settlements in and around Minna, in particular; and
- To digitalize all land assets of the state and to establish a cadastral map of Minna and all urban areas of the state, as part of the comprehensive land reform package in the state.

### **Addressing the Massive Infrastructure Deficiency in Minna and Other Urban Areas of Niger State**

Rather than the piecemeal approach to the provision of water supply to the residents of Minna, as has been the case in the last few years, what we really need is a comprehensive design of the entire system, to take care of the current and future population and the physical expansion of the city. The government shall try to achieve the World Health Organization target of 50 litres per capita per day. Similarly, government would ensure that all residents of Minna have equitable access, while each one pays his/her fair share of the cost of providing portable water.

There is a considerable experience, globally, of PPP in the water supply sector. All aspects of the sector-construction and management of Water Works; distribution of supply; and collection of rates through metering of supply-have been contracted to private companies under PPPs. Niger State Government will key into the numerous strategies of many countries in Africa in line with PPP best practices in water production, distribution and management.

Niger State Government shall explore the support (financial and technical) of many international organizations such as Kuwait Fund, OPEC Fund etc in the process of establishing a modern, effective and sustainable citywide water supply system.

### **Re-Integrating Government Layouts illegally taken over by the “Natives” into the Fabric of the City of Minna**

Most of the 104 Government Layouts taken over by the “natives” have been converted and sub-divided into plots of various sizes and shapes and sold to private individuals. The distortions caused are such that most of the Layouts cannot be adequately serviced (provided with access roads and drainage, water supply, electricity, playground for children and other social and communal facilities). These areas have become blighted, and what ever services there are, are provided illegally by majority of the residents.

The takeover should not have been allowed in the first place, since the role and responsibility of Niger State Government in the management of urban land, as stipulated in the Land Use Act is very clear. The Act, which is enshrined in the Constitution of Nigeria, has not been amended or repealed. Hence, government will not hesitate to ensure compliance through:

- Ensuring authority and control over the Layouts development;
- Carry out a comprehensive redesign of the Layouts in order to establish acceptable basis for providing infrastructure especially access roads and drainages within the Layouts; water supply; playground for children; and vital social and communal facilities. It may be necessary to demolish some of the new buildings, especially those not in conformity with the original concept of the Layout.

- Owners of new buildings within each Layout, whose buildings are not in conformity with the original layout must pay a larger percentage of the cost of providing infrastructure, if they can be retained in the amended Layouts;
- The revised layouts will be digitalized in order to ensure their effective subsequent management.

### **Developing New Housing Projects in Minna and other Urban Areas of Niger State**

Our study has shown that the backlog of housing in Minna alone, is about 120,000 units; and that the government has to facilitate the construction of at least 5,000 units annually to meet the current demand. Accordingly, the real challenge for government is to develop a housing delivery system that is effective and sustainable. In this context, Nigerlites from all income groups can have access to housing that they are able and willing to pay for, with little or no subsidy from government.

Experience has shown that all the five components of housing development -land, finance, infrastructure, building material and labour- can be executed with the active participation of the private sector, based on PPP initiative . The current effort of Niger State Government to construct 500 housing units in Minna out of a total of 5,000 units target for the entire state, on the basis of PPP, is, in our view, a huge step in the right direction.

For the purpose of the new housing projects in Minna, plan is under way to have suitable lands to be obtained at the outskirts of Minna, along the following roads:

- Along Minna-Bida Road;
- Along Minna -Suleja Road;
- Along Minna-Gwada Road;
- Along Minna-Zungeru Road

The innovative, procedures to be adopted by the Government, that is in conformity with the provision of the Land Use Act, aimed at forestalling the current land management problems are as follows:

- Niger State Government shall formally designate a suitable land as Housing Area and to be so Gazetted;
- The owners of the land shall be properly identified and informed of the decision of government, on the use to which the land is going to be put to;
- Option of payment of compensation or equity participation shall be offered to the landowners. In case of equity participation, the minimum value of the land can be determined and the owners duly informed of it. The amount now forms the equity of the landowners in the PPP;
- The land designated shall be subdivided into plots of 10 hectares, capable of accommodating 200-250 housing units with associated social and communal facilities;
- A proper Layout is to be prepared, reflecting the government policy on land i.e. density of development; plot coverage; and other Zoning regulations to be stipulated for the project. As this is a critical aspect of the process, there is the necessity to ensure that professionalism and experience is brought to bear in determining suitable plot sizes, standard of infrastructure to be provided to the houses. Other equally important data to be generated at this stage include:
  - ▶ Perimeter Survey;
  - ▶ Topographic Map of site;
  - ▶ Soil Survey Report
- Niger State Government has to finance the provision of trunk infrastructure (extending water supply, road and drainage from the citywide network) to the project site, as its contribution to the project. Otherwise the eventual unit

selling price of the houses will be much higher than the target population can afford, thereby jeopardizing the objective of government of providing cheap and affordable housing to Nigerlites;

- Based on the Layouts, advertisement will be put out for serious private companies to partner with Niger State Government in the servicing of the plots; or construction of the housing units; or both. It is important at this stage to ensure that the designs of the houses-architectural, structural, M&E- are simple, cost effective and are based on the use of building materials and components that are either local or readily available;
- Nigerlites shall be given the option of either buying a completed house with finishes to reflect affordability; or service plots to facilitate piecemeal construction on their own.
- The Master Plan of Minna has been due for review since the year 2000. The revision of the Master Plan will provide a more holistic basis for housing development. The same is true of the Master Plans of Suleja, Bida and Kontagora.

### **Establishing Effective and Sustainable Housing Finance System**

Central to an effective housing delivery system is a sustainable housing finance mechanism. Put simply, the government must be able to mobilize sources of cheap and long-term funds, since most people may not be able to buy their houses on cash-and carry basis. Typically a house costs about 25 times the annual income of the buyer, who is a worker, in private and public sectors of the economy. Again, conventionally people are expected to pay about 25% of their monthly income on housing.

It is on record that at the time Niger State workers were

contributing to the National Housing Fund, the state was the highest contributor nationwide. In fact, Niger State Housing Corporation had established a Mortgage Bank called **Niger House Building Society**. It was a partnership of Niger State Housing Corporation (on behalf of Niger State Government) and Suleja Local Government.

Similarly, another one was later established by the local governments called **Merrill Building Society**. Both of these institutions have been closed down. The following strategies will receive attention for immediate action:

- ▶ Government will consider reviving at least one of the Mortgage Banks to enable Nigerlites have easy access to the National Housing Fund;
- ▶ Partnership with one or two existing Mortgage Banks with good track record will be considered to encourage the state civil servants to activate their contributions to the National Housing Fund, and in return facilitate easy access to the Fund;
- ▶ Explore cheap sources and long-term funds from the Capital Market, within and outside the country. There are abundant sources of such cheap funds in the international capital market; and
- ▶ To take advantage of the numerous studies carried by the School of Environmental Technology, Federal University of Technology, Minna.

### **Upgrading the Slum and Squatter Settlements in Minna**

As stated earlier, over 70% of the population of Minna lives in the slums and squatter settlements around the town. These areas include:

- Sabongari;
- Maitumbi;
- Chanchaga;

- Unguwar Kaje;
- Barikin Sale;
- Dutsen Kuran Gwari;
- Kpagungu;
- Tudun Fulani;
- Soje;
- Sauka ka Huta;
- Limawa;
- Unguwar Daji;
- Keteren Gwari
- Makera
- Kwangila;
- Maikunkele
- Unguwar Biri
- Unguwar Masa
- Fadipe
- Hanyar Gwari

Hitherto, these areas are characterized by extreme congestion; poor access with hardly any vehicular access and drainage; substandard housing; poor and rapidly deteriorating environmental conditions; large quantities of uncollected and rotting garbage etc. They pose a major health risk to the entire residents of Minna and are responsible for a large percentage of illegalities to do with connections to water supply, electricity etc.

They are the hotbed of all manner of social vices afflicting the town. They, in all honesty, represent the failure of successive governments of the state to properly manage the development of Minna in particular and the other urban areas of the state.

These areas will continue to constitute themselves as the source of the inefficiency of Minna, which is expected to be

the engine of the socio-economic development of the state, that is suppose to account for more than 60% of its GDP.

Their in-congruencies notwithstanding, it is found that they have very effective Community Based Organizations (CBOs) who are involved in providing the residents variety of services on a self sustaining basis. For example they provide them security (Vigilante groups); waste management service; mediation in the event of dispute between households etc. The Community/Ward Heads command more respect among the residents than the Local Government Councilors and even Chairmen. The CBOs represent viable units around whom the renewal of the areas can be predicated.

In line with the vision of government, it is convincing enough that first and foremost, it is wise to start by addressing the growing problems of these slum areas and eliminate the probability that these areas will continue to constitute major impediments. Fortunately, there are several of good practices, globally, for the state to predicate it on upgrading and renewal projects . For instance, a committee was recently inaugurated to enforce environmental sanitation in the State. In addition, it is strategically designed to ensure:

- A **bottom-up** approach, stakeholders in each slum area to be identified and sensitized on the plan of the Niger State Government to upgrade and renew the areas;
- Stakeholders will be mobilized to actively participate in the generation of requisite data that will facilitate the upgrading;
- Stakeholders will be part of the preparation of upgrading and renewal plans and the decisions on the houses to be affected by the exercise;
- In the event of any resettlement of persons to be affected by the exercise, the stakeholders will have the opportunity to select their members and in determining the resettlement terms and conditions; etc

Experience has shown that if the stakeholders are given a sense of ownership of the upgrading, renewal and resettlement processes, they will continue to act responsibly in the management and maintenance of all government provided facilities.

The Master Plan of Minna is long due for revision. This will be done to facilitate the implementation of the housing programme of government on a holistic basis. Government is committed to this and with mobilizations all stakeholders to achieve this without fear or favour.



Units of Three-Bedroom Flats at the MI Wushishi Housing Estate, Minna

## SECTION TWO



# HOUSING FOR ALL NIGERLITES BY THE YEAR 2020

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## INTRODUCTION

At the inception of the new administration in Niger State, the leadership of the Ministry of Land and Housing, carried out an intensive consultation with both professional and technical staff of the Ministry and with related professionals in the private sector and academia. Such consultations were quite useful in the development of this document which provided additional insight.

On the causes and effects of the housing problems confronting the State and the determination of this administration to address the problems comprehensively. Hence the vision for “Housing for all Nigerlites by the Year 2020”.

In this document, a well set of articulated objectives to be pursued by the State Government in order to achieve the stated goal include:

- \* Facilitating private sector participation in housing delivery system;
- \* Digitization of all land assets of the State;
- \* Improved access to land for housing and associated development;
- \* Improved urban infrastructure supply and delivery;
- \* Improved housing finance;
- \* Re-integrating all government layouts and land, taken over, into the city management system approved by the state government;
- \* Carryout upgrading and renewal of the slums and squatter settlements.

### **(A). Facilitating Private Sector Participation in Housing Delivery System**

In recognition of the huge housing backlog in the state; inadequate capacity and resources of government to

address the problems alone; and the huge financial, managerial and technical capacity of the private sector, the government (through its Directorate of Public-Private Partnership) will pursue the following strategies in order to achieve this objective:

1. Ensure effective public-private partnerships in housing components such as:
  - i. land development;
  - ii. housing finance;
  - iii. development and use of local building materials and appropriate technology;
  - iv. provision and management of urban infrastructure such as water supply, roads and drainage and the use of alternative, renewable energy sources such as solar energy and windmills;
  - v. adoption of labour intensive construction methods in order to provide employment and reduce poverty among the urban residents;
2. Ensuring adequate risk transfer to the private sector in all aspects of housing development and management. A typical PPP may take the form of design-build-finance-operate (DBFO);
3. Establishing appropriate legal framework for PPP in the State to provide reassurance to the private sector; and
4. Building local capacity in all Ministries and Parastatals for PPP;

**B. Digitization of all Land Assets in Niger State**

For urban land reform to be effective and sustainable in the state, Niger State Government has to have effective control over all urban lands, in line with the provisions of the Land Use Act enshrined in the Constitution of Nigeria. This can only be achieved through the

digitization of the state's land assets. The following strategies will be pursued in order to achieve above objective:

1. To partner with suitable private sector organizations to establish and operate a **digitized Geographic Information System** in Minna (as a pilot project, to be called **Minna Geographic Information System-MIGIS**) and all other urban areas of the state to follow shortly.
2. To establish a cadastral map of Minna;
3. To build local capacity to manage the MIGIS;
4. Owners of buildings in Minna, approved or otherwise, will be required to **revalidate** their ownership and building plans (in a digitized format), so that new Certificate of Occupancy (digitized and more secured) are issued to genuine owners;
5. Owners of buildings and land without Certificate of Occupancy will be required to **regularize** their documents, and proper Certificates issued to them;
6. All building owners in Minna and other urban areas of the state will pay annual **Tenement Rate** (to be determined by Government). This will be based on the size, quality and location of each building.

**C. Improved Access to Land for Housing and Associated Development**

In order to achieve this objective the following strategies will be pursued:

1. All land for housing development must have been officially so declared as **Housing Development Area** by Niger State Government;
2. Such land will be surveyed (perimeter and topographic survey ); the soil characteristics determined; and housing layout produced reflecting approved density of



Units of Two Bedroom Flats at the MI Wushishi Housing Estate, Minna

- development and zoning regulation of the area;
3. Such land would have been parceled into plots and appropriately serviced before they are allocated to individual or corporate developers;
  4. Land, not declared as Housing Development Area, can equally be approved upon appraisal and subject to the developers meeting the conditions to be stipulated by government. This may include the provision of prescribed infrastructure to either service the land or extend trunk infrastructure to the site;
  5. PPP will be adopted as the basis for preparing and servicing land for housing development.

**D. Improved Urban Infrastructure Supply and Delivery**

Adequate supply and affordable access to infrastructure, water supply, electricity and roads and drainage, is critical to ensuring the effectiveness of housing delivery system. To achieve this objective the following strategies will be pursued:

1. PPP will be vigorously pursued to enable private sector to supply required infrastructure assets and services in Minna, as pilot project and other urban areas of the state;
2. Long term and low interest funds will be sourced from the local and international capital market and Development Institutions.

**E. Improved Housing Finance**

The fact is that the housing sector is only as good as its ability to finance itself. A well-functioning housing finance system is an essential instrument for enabling households to expand their effective demand for housing, whether it is for the purchase of a new house, improvement of an existing dwelling or renting a more spacious unit, thereby improving housing conditions. In order to achieve this objective the following strategies

Will be pursued:

1. State Government will mobilize long-term funds from the National Housing Fund and explore partnership with viable Primary Mortgage Institutions for funding.
2. Other sources of low interest and long-term funds, local and international, will be explored to expand housing finance available to Nigerlites;
3. State Government shall revive one of its two Primary Mortgage Institutions (Niger House Building Society and Merrill Building Society), to improve access to the National Housing Fund.

**F. Re-integrating all Government Layouts and Land, taken over, into the City Management System Approved by the State Government**

Recognizing the fact that the 104 Government Layouts “taken over” have become blighted areas; with attendant negative consequences on Minna the state capital, such actions are complete breach of the provision of the Land Use Act, enshrined in Nigerian Constitution. The following strategies will be pursued to properly re-integrate the areas into the urban fabric of Minna:

1. Affected Layouts will be redesigned and approved by Government, that will provide the basis for providing adequate infrastructure facilities and services;
2. All buildings not in conformity with the redesigned Layouts will be demolished while the owner of the development will bear the cost;
3. All buildings that conform with the redesigned Layout will have their Certificates of Occupancy and Building Plan Approval revalidated;

**G. Carry out Upgrading and Renewal of the Slums and Squatter Settlements.**

With over 70% of the residents of Minna living in the

twenty slum and squatter settlements identified, the Upgrading and renewal of these areas has to be given priority as part of the Government's effort to modernize the state capital in particular; and other urban areas of the state in general. In order to achieve this objective the following strategies will be pursued:

1. An area to be upgraded has to be formally declared an "Upgrading Area" based on criteria to be established by the State Government;
2. Environmental Profile of the Upgrading Area is to be prepared, identifying and sensitizing the stakeholders (CBOs, while community leaders, other civil society organizations in the Upgrading Area etc) and involving them in data collection for the Profile, on a bottom-up basis;
3. Detailed Upgrading Plan is to be prepared to address the following issues:
  - i. Infrastructure improvement: roads, drains, water supply, sanitation, street lighting communal facilities;
  - ii. Health: promotional and preventive health via maternal-child health clinics, health awareness etc;
  - iii. Education: pre-schools, non-formal education, adult literacy etc;
  - iv. Community development: institution building, gender awareness raising, vocational training and economic support.
4. Project implementation will be predicated on PPP

## SECTION THREE



# PUBLIC-PRIVATE-PARTNERSHIP IN HOUSING DELIVERY IN LOCAL GOVERNMENT COUNCILS OF NIGER STATE

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## **BACKGROUND**

Niger State, like virtually all the states of the federation, is experiencing a huge and growing housing deficit. While Minna and other urban areas of the state are experiencing a qualitative and quantitative deficit, in the rural areas the deficit is substantially, qualitative.

It is in recognition of the potential of the private sector to be an effective partner in providing large scale housing for Nigerlites that the Chief Servant of Niger State, Dr. Muazu Babangida Aliyu, OON, embarked on a housing project in Minna, involving the construction of 500 housing units. The implementation of the project is based on the public-private partnership concept. The concept of public-private partnership allows the government to adequately share the risk of the project with the private property developer while at the same time taking full advantage to the efficiency, cost effectiveness and profit motive of the private sector. The government creates an enabling environment for the partnership to take place with the private sector.

The decision to extend the programme to the Local Governments is as timely as it is commendable. This is indeed a proposal on how to implement the project in a selected local governments. The pilot project will provide the basis for replication in other local governments. Hence, we have set out the main guidelines to ensure effective implementation of the housing project at Local Government level. The roles and responsibilities of all partners are highlighted.

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## **PROJECT COMPONENT**

There are five basic housing components that have to be clearly articulated if the public-private partnership is to be effective and mutually beneficial to the partners. These include land, finance, infrastructure, building materials and

labour. These are discussed below:

### **Land**

The participating Local Government are required to:

- i. Allocate at least 35 hectares of suitable land for the project. This will facilitate the construction of a housing neighborhood of 250 units with associated social and communal facilities. The houses will be built in five clusters of 50 housing units each.
- ii. Have properly planned lands by either the private developer (partner in the PPP) or by a commissioned firm of Town Planners (by the state government on behalf of the local government). The plan has to be mutually acceptable to all partners in terms of its technical feasibility and financial viability;
- iii. Have an average plot size of 330 m<sup>2</sup> (22.0m by 15.0m) (recommended). The plot can accommodate a core house on one bedroom, which can be expanded to three bedrooms by the owner at a later time.

### **Finance**

Access to cheap and affordable (low interest and long term) fund is at the core of a successful housing development. In Nigeria today, the only ready source of such fund is the National Housing Fund (NHF) under the management of the Federal Mortgage Bank of Nigeria. To access the fund, all applicants must have been contributors to the NHF. The law requires that all workers should contribute 2.5% of the monthly income to the NHF until they reach retirement age. Their contributions will attract 4% interest, while they can obtain a loan, of up to five million Naira (N5,000,000.00) from the NHF to purchase a house, construct one or even expand their houses. This will attract a 6% interest, with a repayment



period of 60 years, less the age of the applicant i.e. the older the applicant is the less will be his/her repayment period.

Accordingly, Niger State Government will encourage and where necessary assist:

- i. The local government workers to commence contribution to the NHF, immediately;
- ii. The local governments to source for long term funds from the local and international capital market to support their housing programme;
- iii. The local governments to allocate funds, from their monthly allocation, for land development and trunk infrastructure provision to the housing sites. This will reduce the cost of development and enhance affordability;
- iv. Target of achieving target cost ranging from two million Naira (N2,000,000.00) and four million and five hundred thousand Naira (N4,500,000.00) per house depending on the number of bedrooms (of between one to three bedrooms) and specifications to be selected by the beneficiaries;

### **Infrastructure**

Vital infrastructure such as electricity and water supply may be in short supply in most of the Local Governments. In order to ensure the habitability of the houses, as soon as they are completed the following measures become imperative:

- i. Topographic survey will be carried out on the land allocated for the project. This will enable the determination of the directions of slope of the land and the best way to design the drainage, foundation footings and the orientation of the houses;
- ii. Water supply sources such as boreholes and mini water works by existing non seasonal rivers will be explored;

- iii. The use of solar powered street lights; solar panels and energy saving light bulbs in the houses will be utilized since the photovoltaic cell technology has been reasonably perfected and the cost of solar powered electricity supply is becoming increasingly affordable;
- iv. The use of appropriate technology and local building materials for the construction of roads and drainage will significantly reduce the cost of the buildings, thereby increasing affordability by target population;

### **Building Materials**

The use of building components produced from local building materials has the potential for significantly reducing the cost of construction, thereby increasing affordability of the houses. Cheap machines have been produced for making stabilized earth blocks and roofing tiles that are cheap and durable. Other strategy to adopt is to encourage local entrepreneurs to mould blocks, produce roofing tiles, doors and windows next to the project site. This approach will, in addition to providing employment to the local people, significantly reduce the cost of construction. Other strategies include the bulk purchase of some of the items such as paint, sanitary fittings etc in order to take advantage of the economy of scale and to control quality;

### **Labour**

Housing construction is labour intensive and can provide the opportunity for training local craftsmen and artisans such as carpenters, masons, painters, furniture makers etc. Opportunity has to be given to the residents of the local government in which the project is executed, to acquire the required skills to sustain the construction of additional houses beyond the first phase.

## **TECHNICAL AND FINANCIAL PROPOSAL OF THE PPP**

This section proposes the components of the most appropriate PPP for this project.

### **Technical Proposal**

In our resolve, one cluster of 50 housing units will be constructed in selected local governments with shared responsibilities for the partners of the PPP (Niger State Government, Local Government and the private developer as follows):

- i. Local Government is to contribute the land either as its equity to the PPP or as subsidy to its residents who are expected to purchase the completed houses. In both cases, the local government is to finance the preparation of the perimeter and topographic survey of the land;
- ii. If the land is considered as the equity of the Local Government, its value has to be mutually agreed. The profit to be shared when the completed houses are sold will be based on equity contribution of the partners;
- iii. If the land is considered as subsidy to the residents of the local government who purchase completed houses, then the value of the land will be discounted from the selling price based on the plot size;
- iv. Private Developer is to be in charge of constructing the houses and associated on-site infrastructure; to agreed quality; and within the time frame allowed, in order to ensure the viability of the project;
- v. Private Developer is to sell the houses based on agreed terms and conditions of the partnership, including the operation of a joint project account by the partners to the PPP and the lending authority, should the developer obtain a bridging finance from the property developers window in Federal Mortgage Bank;

vi. Niger State Government is to provide the required guarantee to the Federal Mortgage Bank and the Primary Mortgage Bank, who is to serve as the intermediary, in order to facilitate access to the National Housing Fund, with which to pay for the houses, as loans to the beneficiaries;

vii. State and local governments are to jointly finance the extension of trunk infrastructure (access road, drainage, water supply and electricity, where available) to the project site;

viii. The Ministry of Land and Housing is to provide the required technical support to both the Local Governments and the private developers on all aspects of the project.

### **Financial Proposal**

The funding for the project is expected to come, substantially, from the National Housing Fund in the form of loans to the individual purchaser. Again the expectation is that majority of the purchasers will be resident of the local government or indigene of the area in the employment of the state and local government or in the private sector.

The financial outlay of the project is as follows:

- i. Project Construction cost is expected to come from the following sources:
  - a. Cost of land acquisition and preparation is to be borne by the Local Government;
  - b. Extension of trunk infrastructure to the project site jointly by state and local government;
  - c. Cost of constructing the houses and provision of on-site infrastructure by the private developer, from either own source or the private developers window in the Federal Mortgage Bank of Nigeria. The guarantee of the State Government of the sale of the

- houses, may be required by the lending institutions to enable the developer to secure the loan;
- ii. Components of the income from the project will include:
    - a. Cost of land if its is the equity of the local government involved; or discounted from the unit selling price, if it is considered as subsidy to the project;
    - b. Actual cost of constructing a housing unit;
    - c. Agreed profit merging for the developer;
    - d. Cost of funds and related administrative charges, as defined in the partnership.

## **CONCLUSION**

The aim of Niger State Government for initiating the public-private-partnership (PPP) in the housing sector is to facilitate the development of large scale housing in the state. The specific objectives are:

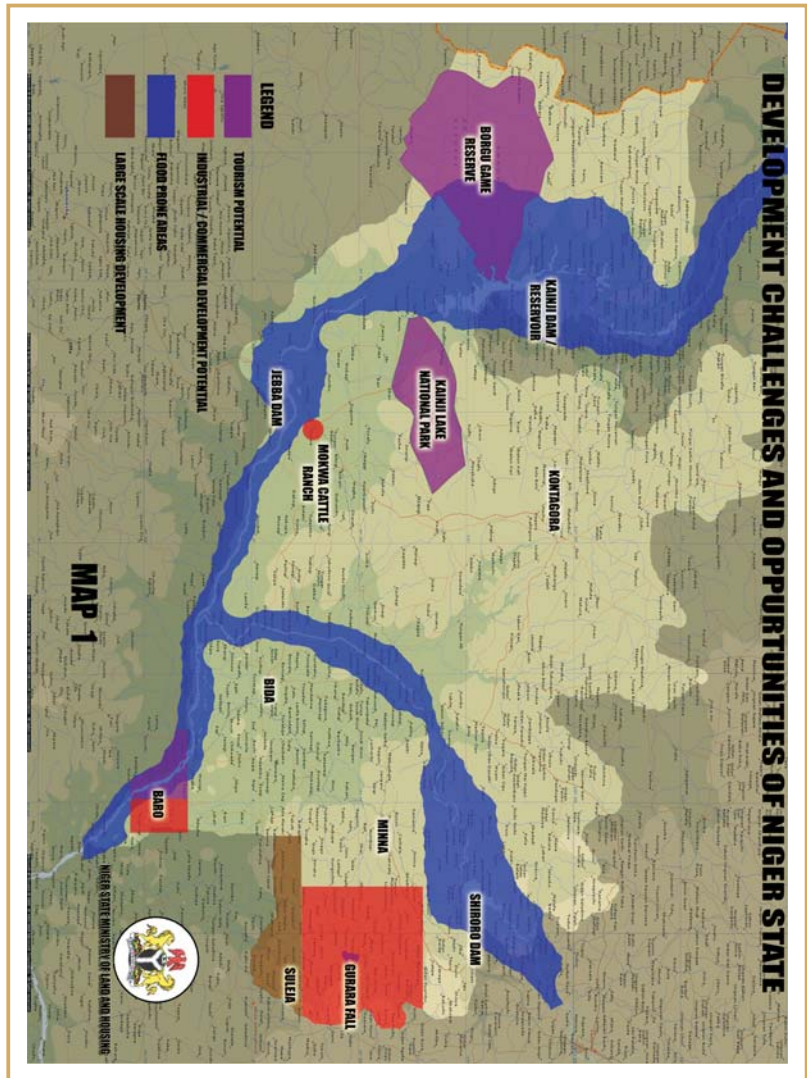
- i. To enable Nigerlites with low and medium income to own affordable houses on owner-occupier basis;
- ii. To take advantage of the technical, managerial and financial expertise of the private sector Real Estate Developers in achieving the stated aim of the government.

## SECTION FOUR



# CHALLENGES AND OPPORTUNITIES FOR LAND IN NIGER STATE

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Development Challenges and Opportunities of Niger State

## **INTRODUCTION**

The prediction that the 21st Century will be characterized by globalization and cascading information technology is rapidly becoming manifests, this early in the century. It follows that in no time other characteristics will also manifest themselves. As a consequence, states and cities within each country will have to compete for local and foreign capital and investments and must be able to creatively partner with the private sector, in order to reap the expected benefits of globalization.

In our context in Nigeria, states must be at the fore front of attracting investments on their own rather than relying on the federal government to do so for them. Hence, states must be able to literally, market themselves in a convincing way to attract the capital and expertise required for the development.

Accordingly, Niger State is at the forefront of showcasing its physical and economic challenges and opportunities through dynamic marketing measures that mark it out as a safe haven for investors (local and international) who are willing to do business through effective public-private partnerships. To achieve this objective the government has established a Directorate of Public-Private Partnership, in the Governor's office to attract partners to participate in the development of the state in all its ramifications.

It is against this background that the challenges and the abundant opportunities available to the people of the state are highlighted below.

## **DEVELOPMENT CHALLENGES OF THE STATE**

Niger State has all the potentials for transforming into a very prosperous and self sustaining state given her abundant human and material resources yearning for exploitation, however, due to negligence of the past these potentials have remained untapped. Some of these potentials have now become challenges that are been addressed and urgently too. A few of them have been highlighted below:

### **Flood Prone Areas Downstream of the Three Hydro Electric Dams**

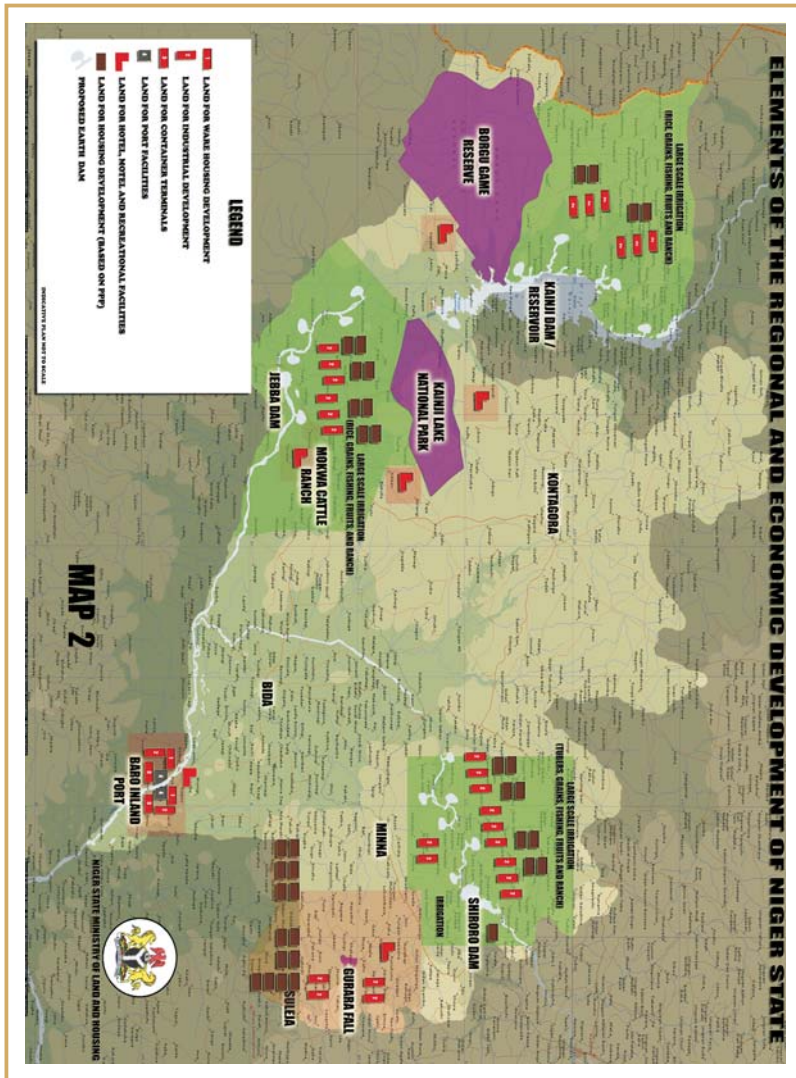
Niger State is blessed with three of the national hydro electric dams located within the State. These are the Kainji Dam, Jebba Dam and Shiroro Dam. For now the perennial challenge these Dams pose to the state is that most villages downstream of the dams get flooded annually, especially during the rainy season, due to discharge of excess water from the dams. The flood has been causing havoc annually involving lives and properties that result in dislocation of the entire social and economic well being of the people affected. Hence, the agitation for the actualisation of hydroelectricity producing areas development commission (HYPADEC).

### **Management of the Boarder Areas between Niger State and the Federal Capital Territory, Abuja**

Over 70% of the land area of FCT, Abuja was carved out of Niger State. In addition, Suleja became a large satellite town to Abuja, which, from experience, it inevitably attracts people of all description, whose motives are to do business in Abuja. Similarly, all the land belonging to the state, bordering Abuja needed to be harnessed, planned and made ready for development at great premium to the state. Our inability to do so has generated a near anarchical situation due to the unplanned and uncontrolled nature of development taking place there now. The reactivation of the Niger-FCT Commission will fast tract the planning and management of the challenges arising from the change in status.

### **Dredging of River Niger to Baro**

The proposed dredging of River Niger to Baro presents a wonderful economic development opportunity to the state. Already there are signs of large scale land speculation taking place within and around the village of Baro. Therefore, there is the need for cooperation among key actors in Baro



Elements of the Regional and Economic Development of Niger State

Development to avoid a repeat of Suleja experiences.

### **Tourism Potentials of Niger State**

The Borgu Game Reserve, Kainji Lake National Park, Mungo Park Cenotaph, Jebba, Gurara Falls, Baro Port and Mokwa Cattle Ranch have tremendous tourism potentials that have remained untapped. Efforts underway from the on-going efforts of the Ministry of Tourism, Industry and Cooperatives to attract investors to ensure provision of adequate infrastructure. These sites in the nearest future become sources of considerable revenue to the state. This is in addition to the opening the state up to foreign investors who will have the opportunity of visiting many parts of the state and appreciating its potentials.

Baro in particular, used to be the Port of entry into the northern parts of Nigeria by the European explorers and adventurers. The cenotaph of many such Europeans in Baro continue to attract a significantly large numbers of tourists. We are convinced that with adequate publicity, packaging and the completion of on-going dredging of River Niger to Baro, many more foreign tourists would be attracted to the town.

Baro and Minna (with its rich history in the development of the rail system in Nigeria) have a huge urban cultural heritage significant in the history of transportation in Nigeria. We are aware that UNESCO supports the documentation and preservation of such urban cultural heritage features. We recommend UNESCO for assistance to carry out on documentation of these cultural heritage features and to design mechanisms for their sustainable preservation. This government is determined to recover lost ground and harness the development challenges of the state into sources and basis for its real and sustainable economic and social development.

In an attempt to cope with the development challenges highlighted above, various forms of interventions become imperative. For instance, pragmatic approaches will be pursued as reflected below:

### **Harnessing the Excess Water from the Hydro Electric Dams**

The excess water from the dams, rather than consider them as a source of problems to the villages downstream, are in fact huge resource waiting to be tapped by the state. By constructing a network of Earth Dams, downstream of the hydro electric dams, the excess water can be collected for use during the dry season to facilitate:

- large scale irrigation of tubers (yams, potatoes, cassava etc), grains fruits and vegetable for domestic consumption within Nigeria and for export;
- fish farming (Aqua culture);
- establishment of ranch for cattle, sheep and goats with pasture lands
- establishment of agro based industries to process the farm produce for local consumption and export etc. In addition establishment of the earth Dams will necessitate the resettlement of many small and scattered villages in the areas. Hence the process will be bottom-up with the villagers made to take charge of the process for effective to create effective and better management that will emerge. New Towns, as a result. Proper study has to be carried out to establish the number and capacity of such Earth Dams.

A similar project that has achieved a word wide recognition for its success is the Tennessee Valley Authority, in Tennessee, USA.

## **Creating Effective and Efficient Industrial and Housing Layouts in the Boarder Areas between Niger State and Abuja**

Despite the fact that many suitable lands in these areas, have been sold to many speculators, Niger State Government will be courageous enough to assume its responsibility as contained in the Land Use Act of Nigeria. The Act confers on the State Government the responsibility of managing the land on behalf of all Nigerlites. Undoubtedly, this can be achieved in a very equitable manner to all involved in the current land transactions in the areas that contravene the provisions of the Land Use Act.

Since the Land Use Act is entrenched in the Constitution of the Federal Republic of Nigeria and has not been amended. The State Government will assume its responsibilities in full as far as the use and management of such lands are concerned.

## **Creating an Effective Inland Port at Baro**

Niger State Government will play an active part in the establishment of an Inland Port at Baro after the dredging of River Niger. Investors in the state stands to benefit much more if Niger State Government partners with the Federal Government and the private sector to facilitate the development of the Port. In addition to providing cheap outlet for the state's agricultural produce, the State Government will have advantage of the location to establish the following through public-private partnership:

- industrial estates;
- Container Terminals; and
- Warehouses



### **Developing the Tourism Potentials of Niger State**

The efforts of the Ministry of Commerce, Tourism, Industries and Cooperatives at branding the State and making Niger State the number one tourist destination is additional impetus to attract private companies and institutions to invest in the construction of hotels; motels and recreational facilities that will make the Borgu Game Reserve, Kainji Lake National Park, Mokwa Cattle Ranch and Gurara Falls very attractive places for holiday makers from all parts of the world. The Airports in Minna, Ilorin, Abuja and the Airstrip in Mokwa Cattle Ranch will make the movement of foreign visitors to the sites easy, safe and cheap, thereby enhancing the attractiveness of the areas.

### **Exploration of Mineral Resources of the State**

The State has huge quantities of solid mineral resources in virtually all its Local Governments, this implies abundant opportunities for investors in the sector according to the governing laws.

### **CONCLUSION**

To realize the lofty goals of the sector in Niger State the followings steps are under focus:

- Preparation of a detailed Regional Development Plan of the State to facilitate the identification and documentation of the detailed development potentials of all parts of the state;
- Development of a detailed hydrological data base on the three Hydro Electric Dam areas with a view to determining the number; locations and sizes of the Earth Dams to be constructed;
- A detailed Land Use Plans for the areas of the State bordering Abuja, with focus on establishing Industrial and Housing Estates to be developed based on PPP;

- Preparation of the physical development plan of the Village of Baro with a view to converting it into an Inland Port;
- Collaborative in the aggressive branding and of marketing the tourism sites to investors with interest in tourism and adequate resources to develop and manage the projects.
- In collaboration with the Federal Ministry of Solid Minerals.

Finally, arrangements for the actualisation of the strategies highlighted above is justified with on-going plans to carry out an urgent review of the Regional Plan of Niger State, produced by Max Lock Group Nigeria Limited in 1979. This was to guide the Regional development of the State from 1979 to 2000.