

TRANSPORT

LOWER MIDDLE INCOME *

CLIMATE-SMART

TRADE-ENABLING

NIGERIA

Lagos Integrated Transport

GIF FUNDING & LEVERAGE

GIF Project Definition
Support:

\$390,650

The Lagos is one of the largest cities in the world. As Nigeria's commercial center, it accounts for over 65 percent of the commercial and industrial activities in the country. However, over the years, infrastructure development in Lagos has not kept pace with population growth. Outdated transport equipment and a poor management system have hindered the development of this sector. The GIF, with help from the Public Private Infrastructure Advisory Facility (PPIAF), is supporting the Lagos State government and the Nigerian Ports Authority with three transport sector initiatives with strong potential for private sector participation.

EXPECTED PROJECT OUTCOMES

- ◆ Provide efficient, safe, and high quality passenger and freight transportation services in the Lagos metropolitan area
- ◆ Reduce congestion around the ports of Lagos
- ◆ Increase government understanding of the potential for private sector participation in the three infrastructure projects
- ◆ Identify the legal, regulatory and institutional constraints to be addressed to attract private financing

TECHNICAL PARTNERS



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

* Based on World Bank Group classification by income

BACKGROUND

The Lagos State government has made significant efforts to improve the transportation system in Lagos. It has put in place the necessary machinery to improve the efficiency and effectiveness of public transportation in Lagos by responding to specific challenges previously identified in the transport sector. These include the absence of a strategic framework for the transport sector, fragmentation of institutional responsibilities among various agencies at the three levels of government, and the absence of standard procedures for the technical and economic valuation of programs and projects.

Current transport challenges identified in the Lagos State Investment Plan include uneven urban growth and development, inadequate transport infrastructure, inadequate public transport regulatory framework, limited alternatives to vehicular transportation and a lack of high-capacity vehicles for public transport. These challenges result in traffic congestion which contributes to air and noise pollution especially affecting the poorest population. Given the estimated capital needs and the goals of efficiency and integration of the system, the Lagos State government is interested in assessing the feasibility of private sector participation in the implementation of this plan.

PROJECT FEATURES

Three transport sector initiatives have been proposed with potential for private sector participation:

- ◆ The Interstate Bus Terminals project includes the development of modern state-of-the-art interstate bus terminals at gateway locations situated in strategic locations outside the city limits, that will serve as terminus hubs providing bus services originating from and heading into other states. Local bus terminals, when established, will provide simplified interchange with intrastate bus services to various destinations within the state.

- ◆ The Lagos State Water Transport Program. The physical environment of Lagos is well-suited to accommodate water transport, as about 17% of Lagos is composed of lagoons and waterways. The Lagos State master plan for transportation calls for the launch of 11 passenger ferry routes, with services to target commuters. Water transportation can also be crucial to movement of cargos and containers from Lagos ports.
- ◆ The Truck Parking and Lagos Ports Access Facility. Congestion is particularly acute in the environs of the Port of Lagos, where there are insufficient parking and waiting facilities for trucks accessing and egressing the port, creating longer port dwell times, pedestrian and vehicular accidents and poor air quality. In recognition of this, the project would assess the feasibility of developing a satellite truck parking and holding facility where trucks will be called up to the port only when their load is ready. Such a facility would likely be integrated with a wider port management system and would use advanced “Internet of things” technology to ensure smooth operation.

WHY GIF

- ◆ GIF support through a Project Definition Activity grant is expected to lead to a pipeline of transactions that may attract private financing and help address the need for increased access to transport services.
- ◆ A positive example of sound planning and evaluation of private sector participation prospects could set the stage for other Nigerian states.
- ◆ Bringing in the GIF’s experience in thorough evaluation of private sector participation options for infrastructure projects in developing countries would complement the technical capacities of the implementing team.
- ◆ The GIF may be able to provide access to blended financial or risk mitigation to make these projects attractive to private investors.

The Global Infrastructure Facility, or GIF, is a partnership of governments, multilateral development banks and private sector financiers that facilitates private-sector investment in complex infrastructure projects in emerging economies. We serve as a platform through which governments collaborate with international financial institutions and private sector investors to design, structure and implement these complex projects.

The comprehensive project-preparation support provided by the GIF draws on the expertise of its advisory partners which includes commercial banks and institutional investors. The broad partnership ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.