

Strategic Planning and Urban Mega Projects (Discussion Paper)

Problem Statements

We recognise that current mega-development projects in Lagos do not link with the social, economic and environmental realities of many citizens. However, while these projects are not bad in principle, there are gaps in the methods of implementation. These include:

- Aspirational visioning and undue reliance on foreign investment channels
- Opacity of the Public-Private – Partnership framework
- Lack of social and environmental safeguards
- Failed projects due to nature of investments and lack of capacity of stakeholders

In order to bridge these gaps, we recommend an overarching development strategy that incorporates protection of citizens rights; open governance and transparency; sound business ethics, financial accountability and Innovative environmentally friendly interventions. We propose that the Lagos state government implement mega-projects that are economically viable and environmentally friendly with identifiable long-term social impact.

Actions to decentralise development projects to the Local Government

1. Ministry Local Government Affairs, Ministry of Economic Planning and Budget and the local government chairpersons **initiate a participatory process to identify within a given timeframe the peculiarity and comparative advantage of each local government area and contextual projects that stimulate local economic development.**
2. Such projects will **only be awarded on a demand driven basis**, implemented through community endorsed approaches; with **community led sustainability and monitoring plans**. Local Governments would have the **key role in facilitating the participatory process** aimed at identifying and planning of such projects within their LG area, at monitoring the selection of the contractors and the implementation
3. Lagos State Executive Council **selects a pilot local government project** which fits into LSG priority intervention areas. Funding for the implementable project(s) has to be secured through development partners or PPP arrangements.
4. PPP office develops a **binding benchmark scheme** which identifies **measurable success indicators** (in phases) for the work, action and finance plan
5. Ministry of Local Government Affairs, Ministry of Economic Planning and Budget and PPP office **train local government officials to ensure they have the oversight competence to play a prominent role in the process of designing, implementing and monitoring the projects.** The responsible sectoral Ministry (transport, housing, environment...) ensures that the local government's human resources have the **technical capacity of designing, implementing and monitoring the projects**; if necessary it assists the local government in engaging local consultants with the necessary qualifications. Funding for the training and the engagement/employment of the qualified staff will be secured through the gradual, result-driven release of the constitutionally guaranteed funds for the respective local government.

6. Ministry Local Government Affairs, Ministry of Economic Planning and Budget and PPP office prepare **an evaluation report as part of the benchmark scheme** which will be reviewed by local government and affected residents. **The report plays a crucial role for the decision on whether further projects within the pilot LG can be approved** and whether the pilot scheme can be gradually extended to other local government areas.

Actions to optimise the PPP Process and to encourage local industry



1. Lagos State Executive Council and House of Assembly **reinstate the legal status of the PPP office** as an independent vehicle for delivering development projects **in a transparent and sustainable manner on behalf of citizens.**
2. PPP office develops a template that includes mandatory components for project initiation and design, including **stakeholder management, ESIA process, conflict resolution mechanisms, sanctity of contracts, transparency, value capture, future proofing** etc
3. The entire PPP process will be **public and transparent** through involvement of the local government and residents in a **participatory consultation processes** (see above) and the regular posting of the updated project template (see 2) **on the website of the PPP Office and the relevant LG office**
4. Introduce a **“citizens’ monitoring office/hotline”** at PPP office level
5. The PPP law will encourage local investors and the growth of the local manufacturing sector at scale
6. Lagos State Government initiates – through the Governors’ Forum - **a federal review process on the Nigerian Free zone act to protect local economy, labour laws and citizens’ rights.** The current concept of Free Trade Zone is ambiguous since it favours a formal sector which is very weak in Nigeria. As a result, the concept only serves a handful of local players and foreign companies - the clause “100% foreign ownership of investment and joint ventures, as well as 100% capital repatriation of profits and dividends” is counterproductive to developing the local economy and objectives of the LSDP.
7. **Free zone licences should not be open-ended, but must align with local regulatory frameworks of social, environmental and cultural sustainability.** It is recommended that an executive order and/or legal framework similar to the Nigerian oil and gas industry content development act (local content law) should apply to activities within the zone



Figure 1: Identification of the relevant actors and key stakeholders

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