

State of Infrastructure and Funding in Kogi State, Nigeria

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Abstract: This study aims to examine the level of success of infrastructure provision by the government of Kogi state; the 3 senatorial districts have been selected as case study. Large proportion of its budget has been allocated to infrastructural renewal, more than the development of new ones, with little attempt of cost recovery. This weakness in infrastructural provision have been found to be a reflection of lack of involvement of the private sector in infrastructure provision. The findings shows that 30% of the proposed infrastructure projects were not executed due to lack of fund, hence private-public partnership have been suggested to help compliment the efforts of the state government.

Key words: Funding, infrastructure provision, partnership

INTRODUCTION

The infrastructure in Nigerian cities has been found to be in a "sorry state of negligence and disrepair". The city's facilities and infrastructure are grossly inadequate, and inequitably spread where available. They are mostly found in a state of decay; these problems have been attributed to the inability of the provided infrastructures to meet the needs of teaming population, caused by the influx of population into the cities due to migration, high birth rate and a reduction in death rate (Alabi, 2006).

Nigerian populations have been found to grow very rapidly to over 45% by the year 2000. According to Onibokun and Kumuyi (1996), Nigeria now has 7 cities with populations at 1 million; 18 cities at more than 500,000; 36 at more than 200,000; and 78, at more than 100,000, this as well as 5,050 towns with more than 20,000 people". These phenomenal growths exert a tremendous pressure on the existing infrastructure.

This paper focuses on Kogi state, where government has allocated large proportion of its budget to infrastructural renewal rather than to the development of new ones. The improvement and provision of infrastructure by the public sector have been found to be a challenge, as problems that persists in the form of unmet demand, deficiencies in cost recovery and inadequate maintenance, this has been blamed on lack of organization and financial autonomy for the providers of urban infrastructure.

The state of city infrastructure in Nigeria: A survey carried out by the World Bank (2002), found that the Nigeria's infrastructure in terms of quality and quantity, is grossly inferior to that existing in other parts of the world; this has been found to exert a negative effect on the cost of doing business in the country. Out of 102

countries assessed in the global competitiveness report in 2004, the Nigeria's quality of infrastructure was ranked 3rd to the last; this is consistent with the world bank survey results where manufacturing firms listed infrastructure as their most severe business constraint (World Bank, 2002). The infrastructures listed as lacking are:

- Insufficient or lack of provision of pipe borne or portable drinking water, where 50% of the city dwellers lack access, as a result 44 percent of households have their own private boreholes and very many rely on water vendors whose high prices amount to more than 30 percent of the household income for the poorest, as a result large proportion of households have resorted to drawing water from unhygienic sources (Hall, 2006).
- Poor road network is also another infrastructure in a very poor state, the Nigerian roads have been found to be the lowest in density in Africa, where only 31% of the roads are paved as compared to 50% in the middle income countries, and even where roads are provided only 40% of these roads can be said to be in good condition (World Bank, 2002).
- Waste management, especially solid waste, Nigeria is said to be generating 80,000 metric tones of solid waste daily, but only 30% of this is collected for proper disposal. This has build up the unsavory cultural habits that encourage the indiscriminate disposal of solid wastes in any available open spaces, including main streets and open drains. It has been found that most city drains now form the final destination of unclear refuses (Omuta, 1988; Odemerho, 2005). The blockage of these drains and natural drainage routes has been attributed to the causes of flooding in Nigerian cities.

- Electricity, Power Holding Company of Nigeria (PHCN), which has been privatized for efficiency is yet to be impressive in performance .its installation capacity is 4200 MW, the maximum available capacity is still limited to 3300 MW. Mainly due to maintenance, the transmission system is unable to deliver power to a major part of the country and its performance is unreliable because it does not have adequate capacity to backup lines. There are transmission losses of 30-35%. Currently only 10% of rural households and approximately 40% of Nigeria’s total population have access to electricity

The aforementioned weaknesses in infrastructure provision have been found to be a reflection of factors such as lack of involvement of the private sector in infrastructure provision, dissemination; negligence of the duty of the maintenance units and mostly misguided policies, weak selection of administrative projects and political interference and corruption (Obiegbu, 2005).

The above discussion has shown that the Nigerian cities have faulted in their duty for provision and maintenance of infrastructure. There is therefore a need for a shift in government policy to a sustainable urban development and infrastructural financing and the involving of the private sector in service provision and management.

Study area: Kogi state s located on latitude 7.4N and longitude 6.45E, with a land area of approximately 28,313.53 square kilometers. This state came into being on 27th August 1991, with its administrative head quarters in Lokoja. The state is structured into 21 Local Government Areas, which comprises of three major ethnic groups, i.e., the Okun (Yoruba), Igala, Ebira, with other minor groups of Bassa-Komo, Bassa-Nge, Kakanda, Kupa, Ogori-Magongo, Oworo, Gwari and others. It has an average temperature of 33.2°C and average minimum degree of 22.8°C. Its vegetation is the guinea woodland to forest savanna.

RESULTS AND DISCUSSION

This paper draws a systematic survey of infrastructural funding mechanism, activities of the government up to the year 2009. The 3 senatorial districts of the state have been selected as case study, materials were gathered from the Kogi state official web site and in addition data was sourced from published and unpublished materials, journals articles and Internet materials. Data was analyzed with use of a histogram.

The state of infrastructure in Kogi state: The National Economic Empowerment and Development Strategy (NEEDS) was constituted by the presidency through the

National Economic Group, this was in an attempt for capacity building for efficient resource management and improve service delivery. This has been replicated by the National Economic Council (NEC) through the State Economic Empowerment Development Strategy (SEEDS); this was to achieve the same goal as NEEDS and to improve economic governance at the state level. This was named Kogi State Economic Empowerment and Development Strategy (KOSEEDS), it was to articulate the economic strategies of the state, with the main goal to solve the already mentioned and impending infrastructural problems; this policy proposed, in area of water provision, a target of 500 boreholes to the communities. It also intends to reactivate major dams in the state and other urban water development schemes. It in addition proposed improved transportation and road networks. In the area of electricity the government intends to increase the Power Holdings Corporation of Nigeria’s (PHCN) supply capacity of 132 KVA grids to Lokoja from Ajaokuta to boost the power state. So far funds have been the constraint of achieving this goal. There is therefore a need change of strategies in infrastructure management to combat this complex urban realities.

Infrastructure and recently executed projects within the state: For convenience sake and easy consideration, the Table 1-5 has been summarized in Table 6.

Four major projects were executed between July, 2003 and March 2006, a period of about two and a half years. These include; Water, Power, Roads and Bridges and Culverts projects. Based on cost, the water sector received the greatest attention of government on infrastructures development in Kogi State (across the three senatorial districts). A total cost of N2, 320,238,502 (N2.3 billion) was reported expended in the water sector, the illustration of which has been given on Fig. 1 (Histogram) with water sector having the highest bar. Among these sectors, the power sector was least developed based on cost. A total of N179, 250,019.70 (1.7 million) was reported expended, having been illustrated as the only sector having the lowest bar.

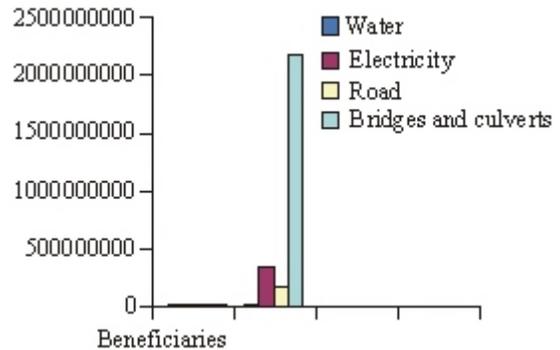


Fig. 1: Showing expenditures and beneficiaries on infrastructure

Table 1: Showing water projects executed, beneficiaries and cost from July 2003 to March 2006

S.NO.	PROJECT	Category	Benefitting community/place	Value (N)	Remark	
1.	Rehabilitation of water works	Rehabilitation, replacement, expansion and reconstruction of water works/borehole, etc.	Okene	2,645,520	Executed	
2.	-do-		Idah	2,907,770	-do-	
3.	-do-		Kabba	3,365,721	-do-	
4.	Rehabilitation expansion of water scheme		Army Barrack, Lokoja	1,000,000,000	-do-	
5.	Rehabilitation of borehole		Osara	297,552	Executed	
6.	Rehabilitation of water scheme		Abejokolo	2,973,000	Executed	
7.	Rehabilitation of water scheme		Isanlu	8,612,262	On-going	
8.	Rehabilitation of water scheme		Ife-Olukotun	1,561,000	On-going	
9.	Rehabilitation of water supply		Egbeda-Egga	1,091,000	On-going	
10.	Rehabilitation of collapsed sediment tanks		Idah	14,000,000	On-going	
11.	Rehabilitation of water scheme		Egbe	7,121,719	On-going	
12.	Rehabilitation of water supply		Ejule	6,218,140	On-going	
13.	Rehabilitation of water works		Lokoja water works	161,000	On-going	
14.	Replacement of overhead tank		Lokongoma Phase II – Lokoja	1,600,000	On-going	
15.	Reconstruction of overhead tank		Workers' village – Lokoja	13,600,000	On-going	
16.	Rehabilitation of water scheme		Idah	325,600	On-going	
Total				1,066,460,304		
17.	Drilling of boreholes	Drilling of boreholes and installation of overhead tank	General Hospital, Koton-Karfe	2,400,000	Executed	
18.	Drilling of boreholes		Adankolo-Lokoja	18,317,309	Executed	
19.	Drilling of boreholes and overhead tank installation		Madabo-Lokoja	16,377,225	Executed	
20.	Drilling of borehole		Lokongoma Phase II Lokoja	4,800,000	Executed	
21.	Drilling of borehole		Lokongoma Phase I – Lokoja	4,800,000	Executed	
22.	Drilling of borehole		Federal Medical Centre	2,400,000	Executed	
23.	Drilling of additional borehole		Commissioners' Qtrs, Lokoja	2,400,000	Executed	
24.	Drilling of borehole		Aiyegunle Gbedde	4,800,000	Executed	
25.	Drilling of borehole		Ikuehi, Eyika and Ohizenyi	9,600,000	Executed	
26.	Drilling of borehole		Ipaku and Zariagi	9,600,000	Executed	
27.	Drilling of borehole and installation of overhead tank		Ebiya and Gbechiniya	9,600,000	Executed	
28.	Drilling of borehole and installation of overhead tank		Aiyeomi and Obinoyin	9,600,000	Executed	
29.	Drilling of borehole and installation of overhead tank		Ganaja – Lokoja	13,600,000	Executed	
30.	Drilling of borehole and installation of overhead tank		New Permanent Secretaries Estate	11,200,000	Executed	
31.	Installation of overhead tank		Water works – Lokoja	6,500,000	Executed	
32.	Installation of motorized Borehole		Aiyetoro Gbedde Ijumu	10,804,500	Executed	
33.	Provision of water and overhead tank		Felele, Lokoja	9,050,000	Executed	
34.	Provision of overhead tank		Okehi Inozioni	2,400,000	Executed	
Total					148,249,034	
35.	Construction of water treatment plant		Construction of surface water treatment plants	Omi Area	24,200,000	Executed
36.	Construction of water treatment plant			Water works – Lokoja	70,539,601	Executed
37.	Construction of water treatment plant			Anyigba	38,500,000	Executed
38.	Construction of water treatment plant			Ajaka	25,300,000	Executed
39.	Construction of water treatment plant			Ejule	25,300,000	Executed
40.	Construction of water treatment plant			Odolu	12,100,000	Executed
41.	Construction of water treatment plant			Abejokolo	36,300,000	Executed
42.	Construction of water treatment plant			Dekina	36,300,000	Executed
43.	Construction of water treatment plant			Ugwolawo	36,300,000	Executed
44.	Construction of water treatment plant			Okpo	6,500,000	Executed
45.	Construction of water treatment plant			Koton-Karfe	24,200,000	Executed
46.	Construction of water treatment plant			Ojodu	6,500,000	Executed
47.	Construction of water treatment plant			Umomi	12,100,000	Executed
Total					354,139,601	
48.	Procurement and laying of pipes		Water supply, procurement and laying of pipes and excavation	Idah	8,250,000	Executed
49.	Laying of pipes and excavation	Water works to new market – Lokoja		15,000,000	Executed	
50.	Water Supply	College of Education, Ankpa		6,000,000	Executed	
51.	Water Supply	Gadumo – Lokoja	2,400,000	Executed		
Total				31,650,000		
52.	Fabrication of steel tank for storing diesel	Project extension and others	Abejokolo, Ejule, Anyigba, Idah, Ajaka and Ugwolawo	1,882,500	Executed	
53.	Construction of diesel tank		12 locations in western and central senatorial districts	3,765,000	Executed	
54.	Procurement and installation of generator set		Adankolo, Madabo, Anyigba, Ajaka, Ejule, Isanlu and Aiyetoro	102,330,000	Executed	
55.	Procurement of 250 KVA		Dekina and Abejokolo	12,000,000	Executed	
56.	Extension of rising mains		Idah	80,000,000	On-going	
57.	Completion of packaged water scheme		Dekina, Anyigba and Abejokolo	175,004,210	On-going	
58.	Completion of surface water scheme		Koton-Karfe	30,145,000	On-going	
59.	Provision of motorized BHS		Akutukpa (Bunu)	4,800,000	On-going	
Total				409,926,710		
Grand total				2,010,425,649		

Source: Kogi state website (2009)

Table 2: Showing total water projects executed and on going and cost

S.NO.	Total executed projects	Category	Total value (N)	Remark
1.	45	Rehabilitation, Replacement, Reconstruction, Expansion, Drilling of boreholes, Construction of surface water tanks/overhead and water treatment plants.	1,975,998,571 (1.9 Billion)	
2.	Total on-going projects as at period of research	Category	Total value (N)	Remark
	14	Rehabilitation, Replacement, Reconstruction, Expansion and Extension of Water Projects	344,239,931 (3.2 Million)	

Source: Kogi state website (2009)

Table 3: Showing category, benefiting communities of the power sector projects and the cost

S.NO.	Project	Category	Benefiting community/place (N)	Value	Remark
1.	Electrification of 252 Units Housing Estates	Electrification	Ganaja Road, Lokoja	56,405,365.35	Executed
2.	Electrification of New permanent site	Electrification	Secretary Quarters	19,000,000.00	Executed
3.	Electrification of 250 Units HE	Electrification	Barrack Road, Lokoja	76,566,310.81	Executed
4.	Installation of street light	Street light	Along Ibrahim Taiwo Road to Nataco New Market Junction	27,278,343.50	Executed
Total				179,250,019.70	

Source: Kogi state website (2009)

Table 4: Showing road projects, category, benefiting community and cost

S.NO.	Project	Category	Benefiting community/place	Value (N)	Remark
1.	Rehabilitation and asphalt overlay	Rehabilitation Reconstruction and Dualization projects	Ankpa-Abejokolo-Gbagana roads	1,899,422,000.35	Executed
2.	Rehabilitation and asphalt overlay		Obehira-Ihima-Ayere road	893,197,097.00	Executed
3.	Rehabilitation and reconstruction		Lokoja-Ganaja-Ajaokuta road	330,759,450.00	Executed
4.	Dualization of road		Stella Obasanjo Library road to Government House	220,989,897.97	Executed
5.			Unity square to Obasanjo's square road	175,880,079.37	Executed
6.	Construction of road		250 Housing units Lokoja-Barrack road	350,000,000.00	Executed
7.	Dualization of road		Obasanjo Square-John Holt Beach	1,239,975,424.00	Executed
8.	Construction of road		Dekina-Olowa-Abocho-Ogbabede	1,452,741,101.00	Executed
9.	Construction of road		Idah-Okpachala Aje gwu	956,671,087.00	
10.	Construction of road		Kabba-Obelle	388,000,000.00	Executed
11.	Construction of road		Kotonkarfe-Kpareke-A dangere	728,229,915.00	Executed
12.	Construction of road		Ankpa-Ogodo-Acharane	1,097,056,310.00	Executed
13.	Construction of road		Ibado-Acheke-Ogane-Okwutanobe	1,500,000,000.00	Executed
14.	Construction of road		Ihima-Obangede	267,961,390.00	Executed
15.	Construction of road		Idozumi-Okeneba-A gassa and Idozumi i-Benin	153,039,678.78	Executed
16.	Construction of road		Ayere-Ogidi-Kabba	431,608,929.30	Executed
17.	Construction of road		Egume-Elubi-Ogodu-Ofugo	1,465,000,000.00	Executed
18.	Construction of road		252 Housing Units	518,496,158.30	Executed
19.	Construction of road		Egbe-Pategi	153,387,537.12	Executed
20.	Construction of road		Ojokodo Junction – Imane	598,583,948.20	Executed
21.	Rehabilitation of road		Hassan Katsina road	89,373,918.75	Executed
22.	Completion of road		Salihu Ibrahim Road	55,014,408.75	Executed
23.			Bliowa-Ejuku-Jege	1,100,000,000.00	Executed
Total				1,606,538,803.00	

Source: Kogi state website (2009)

Table 5: Showing Projects of bridges and culverts, the categories, beneficiaries and cost

S.NO.	Project	Category	Benefiting community/place	Value (N)	Remark
1.	Bridge construction		Meme-Bridge (Lokoja)	1,200,000,000.00	Executed
2.	Bridge and culvert construction		Jamatan-Budon Eggan road	973,171,237.70	Executed
Total				2,173,171,238.00	

Source: Kogi state website (2009)

Table 6: Showing the project category, stage of execution, total beneficiaries, total cost and date of award

S.NO.	Project type/category	Stage	Total No. of community beneficiaries	Total cost (N)	Award
1a.	Water	Executed	45	1,975,998,572.00	July' 03 – Feb' 06
b.	Water	Executed	14	344,239,931.00	Dec' 04 – March 06
2.	Power (Electricity)	Executed	4	179,250,019.70	No indicated
3.	Road	Executed	23	1,606,538,803.00	Not indicated
4.	Bridges and Culverts	Executed	2	2,173,171,238.00	Not Indicated
Net total			88	6,279,198,563.00	

During the study period, a total number of 88 communities or areas have benefited across the state just within 2½ years.

It was also found that over 70% of the projects were reported executed, an index of development in the area of infrastructures. Nearly 30% of the projects were reported uncompleted/on-going, particularly within the period under review

CONCLUSION AND RECOMMENDATIONS

The foregoing discussions have shown that the main constraint to infrastructure provision and management is funding. Little attempts have been made to create institutional structure at the state level that can provide technical guidance on proposals for infrastructure projects.

It is hereby suggested that the public agencies, parastatals, should resort to the financial intermediaries and credit rating agencies. Since this is the era of private public partnership; funds could be obtained for investment from the private sector or capital markets. It will not be out of place to suggest to the state government should take cue from measures that have been replicated in other countries like India and Brazil, where they established Infrastructure Leasing And Financial Services (ILFS) to finance infrastructure institutions. This is a private sector where the state government owns a small equity share. It aims to develop roads and highways, it also basically undertake projects feasibility studies and provides a variety of financial as well as engineering services, with a role of a Merchant banker rather than a mere loan provider (Mathur, 1999).

ILFS helps local bodies, parastatal agencies, and private organization to prepare feasibility reports of commercially viable projects and also to detail out the pricing and cost recovery mechanism.

In India where this process had been experimented, a Joint Venture Company was established, called Special Purpose Vehicle (SPV), ILFS becomes an equity holder in these companies along with other public and private agencies.

The role of ILFS may therefore be seen as a provider of a new perspective of development and a participant in project financing (Amitabh, 2001).

Funds can also be sourced through the loan facilities of the World Bank, under the international development assistance credit scheme.

The USAID, have also a financial institution called the Financial Institution Reform and Expansion Programme (FIRE), whose basic objectives is to enhance resource availability for commercially viable infrastructure projects through the development of a domestic debt financed from fund raised in the United States of American capital market under the housing Guaranty fund and finally funds could also be sourced from local banks within the country, even though this may be for low capital projects.

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