

The informal housing development process in Nigeria – the case of Kaduna

Contributing authors: Tony Lloyd-Jones, Simon Gusah, Dr Mike Theis, Tpl Sam Adenekan and Michael Mutter

Abstract:

Housing developments in informal areas usually occur in the emerging parts of a Nigerian city, on the periphery. Land in customary tenure/ownership is being sold on the 'free' market and turned into 'informal' layouts without the official recognition of or approval by government. This report is based on research carried out in the northern Nigerian city of Kaduna over a number of years.

Kaduna, together with Kano, the two wealthiest and largest cities in the North West Zone of Nigeria, despite the current economic and political problems, are still expanding rapidly though natural growth combined with in-migration. The evidence is that informal housing development on the urban periphery in both cities is increasing at a stupendous rate and this is where most new households in these cities are being housed.

Informal housing currently meets around 90% of Nigeria's housing demand. The report argues in favour of new forms of, and attitudes to urban governance that work with the and manage the informal housing supply system rather than against it

Development of informal land markets

Housing developments in informal areas usually occur in the emerging parts of a Nigerian city, on the periphery. Housing in such an area could take place in formal layouts with roads or in an informal area without a proper layout. Plots in layouts are usually more expensive than plots without a layout. In the case of Kaduna, a northern metropolitan city which is explored below, plots (usually 15m x 30m) within a formal layout vary in price from N200,000 to N1,000,000 (\$1,200-\$6,000). Plots within an informal layout may vary from N100,000 to N300,000 (\$600-\$1,800) depending on their location.¹

Land sub division and allocation:

Kaduna, together with Kano, the two wealthiest and largest cities in the North West Zone of Nigeria, despite the current economic and political problems², are still expanding rapidly though natural growth combined with in-migration. The evidence from planning studies is that informal housing development on the urban periphery in both cities is increasing at a stupendous rate and this is where most new households in these cities are being housed.

Land in customary tenure/ownership is being sold on the 'free' market and turned into 'informal' layouts without the official recognition of or approval by government. These 'layouts' are illegal until they are registered with and approved by the state government. Statutorily it is up to each individual plot holder to apply to government for a Certificate of Occupancy (CofO) before building, and ensure their CofO is designated residential use, if they require security of tenure and title that is valid for use as collateral.³ It gives the title holder much stronger legal rights concerning compensation should the State Government need to take over the land.

In practice however, because the formal process of obtaining a CofO is cumbersome, expensive and, ultimately, at the whim of the Governor, most informal self-builders don't bother getting title. For a land transaction to take place the buyer and the seller usually consult with the local Village Head, who witnesses the transaction and issues his 'paper', which he signs his approval of the sale in return for a payment or token. This local approval is then taken to the next chiefdom level, the District Head, who also adds his seal of approval to the transaction, and again takes a small commission. With these three documents in place; sales agreement, Village Head approval and District Head approval, the buyer then submits building plans to the planning authority for building approval (location of the building in relation

¹ As noted in Kaduna by Tpl Sam Adenekan urban planning and housing expert, Max Lock Consultancy Nigeria Ltd.

² Both cities are being regularly targeted by Boko Haram

³ Max Lock Consultancy Nigeria Ltd (2010) Kaduna: the Master Plan Reviewed 2010, Draft Report December 2010, London: MLC Press, University of Westminster. Pp 6-6 to 6-11.

to informal access roads and other buildings is not necessarily a consideration in the building plan approval process) and construction begins.

The emphasis of this informal process therefore does not focus on securing State Government land title (CofO) as such. The essential elements are;

1. Sales Agreement, confirming the assent of buyer and seller at the agreed price,
2. Village Head endorsement, as the local traditional custodian of land,
3. District Head endorsement, as the district land custodian, and
4. Building plan approval by the state planning authority.

In some cases the local government health department weighs in, for a fee, by insisting on issuing a certificate to say the building plan meets health standards. Land is bought, sold and re-sold on the basis of the first three documents listed above, mostly without title documents. This works because for the most part buyers and sellers (the 'market') all acknowledge the legitimate role of the traditional rulers in land transactions, even though this role is not formally recognised under land law and policy. The local chiefs are therefore the approving authority, transaction witnesses and they arbitrate in disputes in the informal land market.

Obviously these locally issued land exchange documents will not have the same collateral value with commercial banks and mortgage agencies as an official CofO issued by Government under the Land Tenure Laws and Land Use Act. Further research needs to be conducted into any changing commercial practice concerning acceptance and value of these informal papers in gaining access to mortgage and loan facilities for housing development.

A field survey carried out in 2009 as part of the Review of the Kaduna Master Plan (currently in draft form) indicated that 2,286 ha of land in the periphery of Kaduna has been subdivided into plots. The Kaduna survey noted that this area of land was still in agricultural use, but had generally been sold off as plots for development ('agricultural land sub-divided for development')⁴.

This is equivalent to nearly 40,000 standard plots of 15m x 30m. Taken together with a similar number of vacant plots on partially developed land, there were nearly 80,000 plots available for residential development.

Plots in Kaduna are generally developed as compounds with each compound on average containing around two households. This average hides many compounds in low rent areas with 10 or more households per compound having high degrees of shared sub-standard cooking, bathing and toilet facilities (only one third of Kaduna households have access to piped mains water on the compound and this is by no means regular in supply or tested for quality – a not unusual feature of most Nigerian urban areas).⁵

If the plots are fully developed to this average population density (around ten persons per compound), there was capacity for around 615,000 people at the time of the survey, equivalent to around 50% of the estimated population of the urbanised area at that time. Around 300,000 may have been added to the population of Kaduna since 2009. By far the greatest proportion of this population increase will have been accommodated in these informally sub-divided, peri-urban areas.

Kano is the largest city in the north of Nigeria and still Nigeria's second largest city. World Urbanization Prospects (the 2011 Revision), estimated the population growth at 3.53% (slightly below Kaduna) likely to be adjusted upwards in the 2014 Revision to around 4.4%. Assuming a population of 3.3m in 2010 (over 3.9m now), more than 150,000 is being added to the city's population each year. The state government is doing its best to keep up with the demand by producing new planned layouts but these meet only a fraction of the total demand

⁴ World Urbanization Prospects, the 2011 Revision estimate the average growth of Kaduna at 3.65% between 2010 and 2015. The growth rate is likely to be revised upwards in the 2014 Revision, where urban agglomeration data has not yet been published. However the overall urban population growth rate has been upped by 24%. A similar increase in Kaduna's growth rate would indicate a growth rate of around 4.5%

⁵ Max Lock Consultancy Nigeria Ltd (2010). *Op cit.*

(and certainly little or none of the housing demand from those on low incomes), less than 10% per annum.

In the case of both cities, it is the informal land developers who are meeting the gap in the supply. Kano State Government is racing to keep up with the land developers by churning out new official layouts on a large scale. However, it is now recognising the merits of a public-private partnership approach and beginning the process of negotiating directly and making state land available in planned, strategic locations.

In Kaduna, by contrast, the past official system of layouts (TPOs – Town Planning Orders) being drawn up on compulsory acquired land at agricultural values by Government as custodian of all land in the public interest, has fallen apart. This is due mainly to ministry inefficiency in the face of overwhelming demand (although possible corrupt practices may also have played a role). This process has been usurped by the private sector agents negotiating purchases of blocks of land from traditional landholders or traditional rulers as custodians of community land – ‘rights of occupancy’ – which legally do not exist within defined ‘urban areas’ under the planning laws.

People are simply by-passing the formal system and ‘getting on with it’, by buyers and sellers striking deals outside of the government process, based on the validation of the local chiefs and District Heads. Often, the informal process is not necessarily cheaper than the formal, rather it is quicker. Also, sometimes the land owners feel they will get a better price on the open market, than government’s restricted compensation rates.

Following their purchase of the land, the developers subdivide it into regular, normally standard size plots, hopefully with some provision for access and with the use of appropriate professional and technical expertise, but with no relationship to any larger officially sanctioned physical plan.⁶ The individual plots are then sold off to individual purchasers.

We have little information as to who these developers are⁷ or what the return on their initial land purchase is, though it wouldn’t be surprising to find some of these operating on a regional or national scale, given the financial resources likely to be required to obtain these, often substantial, land holdings. Anecdotally, in Kano at least, they are said to be locals, and would need to have good contacts with the traditional authorities who sanction the release of land for development in the city’s various local government districts, which gives the land for development a quasi, but not quite legal status.

Verified hearsay evidence in Kaduna indicates that comparatively large sums of money were being paid in 2009 – often by the not so wealthy through private loans of various kinds – in ‘purchasing’ plots of land (figures of N100,000 to N500,000, per plot (\$600 to \$3,000) per 30m x 15m plot have been quoted in different areas).⁸ As part of this study, in the peri-urban district of Kamazou (2014), we were quoted up to N2.5m (\$15,000) for a plot (15 x 30m) facing the main highway, about N1.5m for a plot ‘backing’ the highway (behind the facing plot), dropping down to N150,000 (\$900) for farmland further from the main road..

Further research is required, but the implication is that, in Kaduna at the time of the 2009 survey, individual investments totalling anywhere from N15bn to N25bn (\$100m to \$167) in the purchase of plots alone have been made in these areas by individuals, at the time (and certainly a lot more 5 years later), whether legally or not.⁹

The extent is not known to which the motive for buying plots is for personal use to build a dwelling for themselves or members of their family to live in (or to build houses for rent), or with the intention of doing this at a later date; or as speculative investment for resale by estate

⁶ A much smaller proportion of peri-urban development consists of interstices between the larger regularly laid out land, and expansion areas around traditional villages, where plots are acquired or aggregated on more of an individual and irregular basis.

⁷ Known as Dilalai (or Dilali, singular). In Kano, they have a semi-formal relationship with the Ministry of Lands & Physical Planning, who have even provided them office space within the Ministry. By cultivating this semi-official relationship with the local land agents, it allows the government to keep some eye on what is happening at the peri-urban fringe and intervene when deemed necessary.

⁸ Max Lock Consultancy Nigeria Ltd (2010). *Op cit*.

⁹ *Ibid*.

agents; or by both individuals and estate agents for a future sale in the hope their value will increase in the meantime. Probably all these sub markets are at work to some degree and this is an area for future research.

The house building process

There is evidence of some land subdivisions being ill-conceived and in obscure locations, such that they are not being developed and may not have even been sold to individual investors. On the other hand, reasonably well-located land subdivisions on the urban periphery are being developed at a very rapid rate in both cities (and most other large urban centres in Nigeria, besides). The image below shows the rapid pace of housing development in the space of one year in a peri-urban area of Kaduna, with an initially undeveloped area being subdivided and developed to probably 10-20% of its capacity within the space of a year, and the going densification of the neighbourhood immediately to the south.

Typically, in order to establish presence and ownership, a plot owner will erect a dwelling shell, with or without a compound wall around it (and according to cultural practices) as soon as they can afford it. Thereafter, investment will occur as and when funds are available in the way of 'incremental' or 'progressive' housing described elsewhere in this study.

Kaduna: Rafin Guza – a case of rapid informal free market development in one year – January 2008 to February 2009¹⁰

The extent of the development shows the complete lack of coordination of planning leading to lack of proper drainage and access with the existing development as well as within itself. The clearly bounded empty land in the top left hand is the fenced southern part of the Army Signal Corps site.



¹⁰ Max Lock Consultancy Nigeria Ltd (2010). *Ibid.*



Costs of housing development vary. A mud material constructed 2-bedroom flat may cost N1,000,000 (\$6,000) including roofing with corrugated zinc sheets.¹¹ A 2-bedroom flat built with hollowed cement blocks and roofed with corrugated aluminium sheets may cost between N1,500,000 and N2,000,000 (\$9,000-\$12,000) depending on the finishing. A 3-bedroom flat in any of these areas adds between N500,000 (\$3,000) to N1,000,000 (\$6,000) to the cost. These prices do not include internal decoration and furnishing, or the cost of plot acquisition and transfers (alienation).¹² These costs are indicative and it is impossible to give a simple answer to the question of 'what are housing costs in Nigeria'? There are too many variables: plot costs, security of title, costs of construction, location, standard of materials and finishing, etc.

However, a bottom of the range, cement block, 2-bedroom flat built on a cheap plot in an informal layout might cost in the order of N1.6-2.5m (\$10-15,000). By contrast, a Federal Government Housing Authority-developed 2-bed room flat in a condominium some 15 km out of Kano is priced at N7m (\$40,000). Similarly, a 'high density, low income' 3-bedroom house on a nearby State Government development was recently priced at twice this sum, compared to \$15-25,000 for a similar sized dwelling that has been informally developed. Even with some level of subsidy, the public housing (available for the select few) is up to 4 times as expensive. It is the case that many such 'low cost' housing estates built by various northern state governments in the past, often far from urban settlements they are meant to serve, dot the landscape and lie deserted.

Who are the occupants?

The simple answer is that the informal housing market serves everybody: the well-off, middle class and poor alike. Although both the very well off and the middle class prefer to live in the formally developed area (GRAs or 'Government Reserve Areas'), very few properties come up for sale and mortgages are prohibitively expensive for all but a tiny minority, inhibiting the growth of 'normal' housing markets.

New dwellings on the urban periphery may be owned (or rented) by newly formed households, by in-migrants from rural areas and other states and cities, by out-migrants from overcrowded inner city areas often cashing in on increasing property values in central area to release

¹¹ Lower cost constructions are typically roofed with zinc and more expensive cement block buildings with aluminium.

¹² As noted by Tpl Sam Adenekan urban planning and housing expert, Max Lock Consultancy Nigeria Ltd.

equity for children's education and other demands¹³, by large households sub dividing (young families moving out from their parents' houses), by retirees and by newly married young couples. Poor migrants, or those with little employment, or with failing micro-enterprises who are down on their luck may only be able to afford a place to live on the far outer periphery where housing costs are cheap. Again there is little or no systematic research on this.

The Kaduna study indicated that household sizes were generally somewhat smaller than average in the peri-urban districts, depending on how much consolidated settlement there was within the district, although further investigation of the survey data is required to explore the variation in household data within the districts.

Conclusions – the informal housing market quandary:

In summary, the informal housing market in Nigeria, as in other Sub Saharan Africa countries, is highly complex, with many, semi-hidden intermediary processes, little in the way of transparency or data, and a huge range of sub-market segments. In its own way, this market operates extremely efficiently. It regularly accommodates up to 90% of the new households that are created each year in Nigeria. It draws on a great variety of informal financing sources and these relatively small saving and short term loans from families and other sources are invested over often a prolonged period of time to create what in most cases are robust dwellings. In the urban areas of the northern states there are virtually no residential buildings built out of temporary or adapted materials. *Bidonvilles* do not exist, although the extent of public squalor, degraded environment, lack of proper access and drainage in both new formal as well as informal layouts is often as bad as any *bidonville*. And this, like the Rafin Guza area illustrated above, is newly built reasonable quality housing.

Unfortunately, most still lack basic infrastructure, are developed at extremely low densities, often stand in the way of a rational and planned approach to developing the essential transport and infrastructure of the city and are adding to a vast and ever increasing backlog in the provision of basic neighbourhood services. In terms of the efficient use of informal sources of finance, the informal housing market is to be commended. In terms of basic urban planning and current and future demands on infrastructure investment, it is huge and ever increasing headache. Existing solutions – sites and service, guided growth in planned sites without services, land reallocation, targeted upgrading in the densest and poorest areas – are all still valid practices to some degree, but on nothing like the necessary scale.

Better land management practices are gradually being introduced and existing urban land gaining title, albeit at a snail's pace. However, the current urban development process is completely unsustainable and demands a much higher profile, integrated public policy approach and investment priority at all levels of government. This really is a matter of urgent concern.

Policy recommendations:

Land reform:

On land reform, the present system of the State Governor having to sign off everything is very cumbersome, and the delay and costs involved are an open invitation to try other routes to housing provision. The current law also severely constrains the issue of mortgages. However, changing the present system is proving a huge challenge for FGN's legislators, with too little progress appearing to be made to agree the proposed Land Use Amendment Act.

The recent National Conference attempted to get the Land Use Act (LUA) removed from the constitution, which would have allowed land reform to be undertaken as an independent process not dependent on constitutional review (which requires a 2/3 majority of State legislatures to approve, and then another 2/3 approval by the National Assembly – a very cumbersome process indeed). In the end it proved too contentious, with some people afraid that uncoupling the LUA from the constitution would lead to land all falling into powerful private hands.

¹³ See for example, Cain, A (2002) Housing microfinance in post-conflict Angola. Overcoming socioeconomic exclusion through land tenure and access to credit. *Environment and Urbanization* 19: 361

In the end it was agreed that the state is probably the best custodian of land and all parties stepped back from tinkering with the LUA, and the future of the land reform process weighs in the balance. The proviso might be added that strengthening the democratic accountability of the state governor to their electorate and the state assembly might be necessary. Unfortunately, at present any constitutional level reform with the present political impasse is pretty well impossible. This might change with the Presidential election in 2015.

Regularization/Formalization of Unplanned Settlements:

Once there is the framework for a clear path to formalization of land and housing development, then housing finance (whether mortgage or micro-finance) and lending risk can be better assessed and managed.

Land regularization through the recommended approach of community-based land registration, and with the use of computerised land information systems, is inevitably a highly extended process, much to the disappointment of state governors looking for a ready cash cow.

Therefore, this should be coupled with a parallel but much more easily facilitated and manageable process of recording property addresses and basic housing characteristics through a land use survey of the urban area. Together with any necessary household surveys, this can provide the basis for a rudimentary property register, devoid of an incomplete cadastre with many property boundaries contested and yet to be resolved.

As well as a basis for proper land use planning and providing the heart of a general spatial (geo) data infrastructure for the city, this can serve to facilitate the more immediate collection of taxes and fees for utility services.

This is the methodology adopted by Max Lock Consultancy Nigeria Ltd in their review of the original 1967 Max Lock Master Plan for the city (and in the many urban planning studies conducted by the group since that time). The 2009 land use survey recorded the entrance locations of 250,521 plots, of which 116,300 were residential plots and from which a 5% sample completed a household survey questionnaire. The same MLCN approach has been employed more recently by the Kaduna State authorities in establishing a fee-paying solid waste management system for middle class areas in the city under the DFID-funded Nigeria Infrastructure Advisory Facility (NIAF). This revenue, collected by the private operators, is intended partly to subsidize the waste collection in the city's poorer neighbourhoods.

Funding for urban infrastructure and upgrading

One of the main problems is that, in most states, local governments are very weak and state governors all-powerful. Many of the responsibilities of local government have been usurped by the state governors. This is effected via the state-level Joint Allocation Committee, which is theoretically where all allocations from the Federal level for state and local government are disbursed locally for development according to a given formula (FGN 52.68%, States 26.72% and LGAs 20.60%). In practice what happens, typically, is that governors compel the local governments to subsidise their projects and local governments are left with little after they pay salaries, leaving them to squeeze what they can out of local rents and charges.

One possible answer, though unlikely to get much of a hearing at present relying as it would a consensus approach, is to make the disbursement of oil revenues conditional on state government addressing their housing and infrastructure challenges, or otherwise strengthening the Federal Government's say on how the money is to be spent by some kind of earmarking or hypothecation formula.

Getting the all-powerful state governors to agree to that would indeed be a hard sell and who is to say that the FGN would be any more fiscally responsible than the state governors? If anything, the governors are more directly accountable to local citizens than the FGN, although this accountability clearly needs strengthening.

Strengthening the role of local government and formalising the role of traditional authorities

For the short term, our recommendation would be to get the state governors to make more efforts to work together with local government to generate more of the revenue locally. This should be increasingly possible with the increasing economic diversification of the economy

away from the oil and gas sector and Lagos State has already made good progress in this direction.

They need to be more engaged through their Land Use and Allocation Committees, which are all but rubber stamping bodies. Active LUACs provide an opportunity for better management of Land Use (involving urban and economic planning) and Allocation (political-economic prioritization). A good model with a plausible incentive structure might make more governors more willing to move in this direction.

The customary land system development process is ubiquitous and in places like the enormous (150,000+), mainly Muslim Rigasa in the extreme west of Kaduna (Igabi LGA), it is the Emirs representatives (District Heads paid for through the local government – another grey area) who subdivide the land and allocate with the help of moonlighting professionals from government. Money and hierarchy have a place in this system, a halfway house to a modern land market.

In Kaduna South, the same sort of thing happens but at a higher technical level and includes interventions by commercial land developers. The point here is that individuals normally don't subdivide the land (except where there is gradual accretive growth of villages). A higher technical process involving professionals occurs. The State Government lags behind with the Town Planning Orders (formal layouts, putative sites and services), whilst there has been huge deterioration of local government, and all the professional work is now very substandard. What is required is a formalisation and upgrade of standards to all aspects of the chieftaincy-based land management process and more transparent relation to normal local and state government processes.

Part of the solution to the halfway-house informal land market is to upgrade the technical input by the existing cadre of intermediary professionals to do the job better and according to a formally recognised process. It would be less complicated transitioning their 'black-market' land activities into some form of formally recognized framework than introducing a new set of 'professionals'. Certainly better urban design standards are critical, however, and more use could be made of experienced professional consultancies.

One way forward would be the current practice of informal land subdivision as a whole within the formal framework of metropolitan land management but with powers properly devolved to local government. Devolution of power is implied in the present legislation but not implemented in practice (see the findings of the DFID report on Local Government Reform in Kaduna State, Appendix 2 below). Rather things have gone in the opposite direction.

As a result there is an obvious failure to acknowledge the real power and influence that the traditional heads have over the land management and subdivision process. The first step is to recognise this and agree some kind of compact based on this. This would allow the heads, through the local government system to take on the role of allocating land formally, as long as it conformed with the requirements of a metropolitan land use plan and the formal land registration process. The monopoly that the State Urban Development Authority currently has on formal layouts would be opened up to local governments (who used to produce such layouts in the past).

Efforts should be made to achieve the full market value of the land early in the process and the benefits of the sale of what is land under customary rights accrue, as far as possible, to the local community. This is not to say that commercial land agents will not continue to play an important and increasing role, but their level of reward should be more in line with the level of professional services they offer, and less a question of windfall profits. Some kind of community-based framework for agreeing the apportionment of the proceeds of the sale of such land at the local level would need to be put in place.

Managed land allocation by local and traditional authorities could be quid quo pro for state-funded provision of basic infrastructure and services. The budget for such works should be made on an equitable basis by the LUA according to agreed criteria taking into account local requirements and relating to the different conditions existing on the urban periphery. Those local authorities, at whatever level, that had ready urban layout plans that conform to the overall master plan and set in motion the formal land registration process, could then be prioritised in the spending programme.

Summary recommendations

In broad terms, including measures that could be taken at all 4 levels of governance in Nigeria (Federal, State, Local Government and the as yet unincorporated level of local communities, customary and traditional socio-economic structures), our summary public policy recommendations are as follows:

1. At FGN level using any lever the government has on allocation of federal funds to lower levels of government to enable and encourage State governors to budget for adequate affordable housing and poverty-focused infrastructure upgrading (e.g. hypothecation)
2. State governments to work together with local governments, following the example of Lagos State, to collect taxes locally and explore all avenues, including improving the efficiency of obtaining proper returns on the land they own and its development, to create Internally Generated Revenue (IGR). This in turn should lead to a virtuous circle of proper investment in urban infrastructure and increasing returns on the associated investment, through a partnership approach with the private sector and local communities.
3. As part of this, and the move towards better land management generally, state governments to continue the on-going, but inevitably very extended process, of land regularization through community-based land registration and computerised land information systems, coupled with intermediary measures to record property addresses through a land use survey (see Appendix 1 below)
4. At state government level, state governors to be encouraged to work by models of good practice to use the Land Use and Allocation Committees more proactively in adequately funding local governments to carry out their allocated duties and channel land and investment into affordable housing.
5. At state government level, city-level authorities or agencies created to manage the urban and infrastructure planning and development management of the larger metropolitan areas of the cities. Up-to-date and regularly reviewed, metropolitan level land use master plans to be produced.¹⁴
6. At local government level, local governments to commission layout plans in conformance with a metropolitan land use master plan and lead on the formal land registration process in an open and transparent manner in association with and accordance with the guidelines of the state level authorities.
7. As per the World Bank Affordable Housing Nigeria Case Study, put in place hybrid financial products and services and hybrid/transformational business models as set out in Appendix 1 and drawing on the experience of housing microfinance programmes elsewhere in Sub Saharan Africa.¹⁵

¹⁴ A requirement of the Federal legislation for defined Urban Areas, but which has fallen into abeyance in most states in Nigeria.

¹⁵ See for example, Cain, A (2002). *Op cit*.

Appendix 1:

Improving urban governance to address issues of urban land and infrastructure planning and improve access to decent affordable housing:

The challenge of providing sufficient, adequate housing would be boosted by land law reform, but this should not prevent immediate measures being undertaken to improve urban governance in Nigeria. There are already a number of latent provisions within the LUA that could be activated by a willing State Governor, which would transform the provision of affordable housing, including;

1. **Land Use and Allocation Committee (LUAC):** The law provides that suitably qualified persons be appointed by the Governor to this committee, including estate professionals, land officers and legal practitioners. To these may be added urban planning professional and other stakeholder representatives (community leaders etc.). By providing the Terms of Reference for the LUAC, delegating specific powers (i.e. signing property transfer and title documents) and incorporating a land use planning function, the committee would have the full range of functional powers it needed, whilst remaining under the Governor's authority.
2. **Setting Urban Boundaries:** The Governor has the exclusive power to declare areas as being either urban or rural. These demarcations would provide for the creation of economic growth areas for effective land use planning, infrastructure investment and housing development. A well-defined urban area would become an arena for the creation and operation of an effective land and property market. A clear, protected city or metropolitan areas boundary (referred to as the defined 'Urban Area' in the legislation), with provision for planned future expansion of the city according to a land use master plan (also a requirement of the Land Use Act) allows for better targeting of infrastructure, collection of property-related taxes and the provision of municipal services. Within this protected economic area (the city) banks, mortgage institutions and developers would have an enhanced space to plan and provide for affordable housing alongside other developments.
3. **City Administration:** There is no municipal (city-specific) level tier of government in Nigeria.¹⁶ Some States have adopted the Abuja 'Capital Territory' model, either as an independent Ministry of the State Government (Bayelsa State), or an independent Authority under the Office of the Governor (Enugu State), both headed by Commissioners. These could be the fore-runners of city government in Nigeria which may one day be headed by a professional City Administrator or Manager, with specific powers to co-ordinate investment municipal services and affordable housing to for the city. The State Governor, having first set up the fully functional LUAC for the state as a whole, and set the urban boundary to create a metropolitan city administrative area, with its own Capital City of Metropolitan Planning Board, can then create an administrative, service delivery function to deliver services (a 'City Development Office).

The recommendations of the Draft Kaduna Master Plan (2010)¹⁷ regarding city level administration for Kaduna Urban Area are as follows:

1. **Kaduna City Administrator:** We recommend the establishment of a Kaduna City Administrator who will coordinate the activities of the various existing public agencies in the provision and maintenance of urban infrastructure and development and implementation of all aspects of the Master Plan. The Kaduna City Administrator will be established by law and will be part of Governor's Office. The City Administrator should be a professional Town Planner with at least fifteen years experience and capable of coordinating the planned provision, maintenance and monitoring of

¹⁶ Urban Development Authorities, as required under the Land Use Act, are there to carry out this function, but have had not had the capacity to focus on particularly cities and do not have clearly set out responsibilities in relation to other arms of government and in particular their parent Ministry responsible for Land and Planning.

¹⁷ Max Lock Consultancy Nigeria Ltd (2010). *Op. cit.* P3-13.

Kaduna City infrastructure in accordance with the provisions of the various development policies of the Kaduna Master Plan.

2. *Capital City Planning Board*: A Capital City Planning Board should be established with the new City Administrator as the Chairman and Chief Executive. As well as KASUPDA and key ministries like the Ministry of Economic Planning, this would include representatives of relevant State agencies and all LGA Chairmen and their Town Engineers and Heads of Works as well as the Director of Country Planning and the Surveyor General.

The City Administrator (or Manager) would operate out of a City Development Office (CDO). A CDO needs to cover all aspects of city development within the defined Urban Area boundary (drawn wide enough to allow for its future metropolitan expansion) of which Housing must be a major part being the majority land user.¹⁸ It becomes the hub for effective city urban and infrastructure planning of the metropolitan area and for promoting managed urban development working in partnership with the private sector and all key stakeholders,

¹⁸ The DFID-funded Nigeria Infrastructure Advisory Facility is supporting the establishment of CDOs as part of its contributing to the creation of 'Effective cities' in Nigeria. To date CDOs have been established in Kano and Enugu, whilst Kaduna State Government have agreed to work with NIAF to establish such a body in Kaduna city.

Appendix 2:

Consultant Report 493 Kaduna State Local Government Reform Planning by Ali Garba and Chinedu Eze (December 2007)

This study finds as follows:

1. The LGAs in Kaduna State operates under the 'parliamentary system' instead of the presidential system operated at the Federal and State level and also as provided in the Financial Memoranda.
2. The Kaduna State House of Assembly makes laws for and approves the budgets of LGAs. This is at variance with LG being a separate tier of government, where each legislative council of the LGA make laws for and approve the budgets of their respective LGAs.
3. There is no development policy document that identifies the economic growth and service delivery priorities of the LGA in collaboration with all stakeholders.
4. Budget preparations are based on the dictates of the state through the Ministry for Local Government, and the Kaduna State House of Assembly. This is against the 'best practice' of allowing the needs and priorities as well as the Council of the LGA to inform budgets subject to the overall 'sectoral policies' of the state
5. The budget process and financial management system does not allow or encourage proper accountability. Accounting books and records are not maintained and where they are in place they are not regularly updated.
6. The Annual Financial Statement of the 23 LGAs is currently being prepared by external accountants and the preparation of Financial Statement is already 2 years in arrears.
7. The LGAs are overstaffed while at the same time suffers from shortages of suitably qualified and skilled manpower. This situation has led to 70:30 ratio of recurrent to capital expenditure, which is said to be 'disturbing' and resulting in poor service delivery.
8. The State Government through the House of Assembly, Ministry for Local Government and LGSB has extended their supervisory role over the LGAs and are now effectively running them, interfering in their day-to-day routine.
9. There are no systematic and regular meetings with stakeholders especially in terms of participation in governance or provision of information for citizens to enable them to participate.
10. Delay of all types and in all aspects of governance and service delivery is a common characteristic of local government administration in Kaduna State.
11. While changes are called for, everyone recognizes the need for some form of control by the state through the Ministry for Local Government Affairs.

Appendix 3:¹⁹

'The government bureaucracy is divided into three tiers: federal, state and local, each with different responsibilities assigned under the Constitution (see Table 3.1). That state and local governments share some responsibilities (such as primary education and health care) allows for potential disparities across LGAs and states, as it is at the discretion of state governments to decide the extent of LGA participation in their shared functions.²⁰ In the health sector, there has been consistent decentralisation to LGAs but primary education, water and sanitation 'are characterized by considerable overlap and confusion with regard to the sharing of responsibilities between the three tiers of government, often at the expense of undermining LGA responsibility and accountability'.²¹

Table 3.1: Expenditure responsibilities of different tiers of government

Tier of Government	Expenditure Category
Federal only	Defence; shipping; federal trunk roads; aviation; railways; post, telegraphs and telephones; police and security services; regulation of labour, interstate commerce and telecommunications; mines and minerals; social security; insurance; national statistical system; national parks; guidelines for minimum education standards at all levels; water resources affecting more than one state
Federal-state (shared)	Antiquities and monuments; electricity; industrial, commercial and agricultural development; scientific and technological research; statistics and surveys; university, technological and post-primary education; health and social welfare
State-local (shared)	Primary, adult and vocational education; health services; development of agriculture and non-mineral resources
Local government only	Economic planning and development; cemeteries and burial grounds; homes for the destitute and infirm; markets; sewage and refuse disposal; roads, street lighting, drains and other public facilities

(Source: IRMT, 2002)

The creation of the country's 36 states (and Abuja FCT) and 776 local government areas (LGAs) has satisfied some but not all the demands of different ethnic and religious groups for greater self-determination. Some argue that 'over dependence' on statutory allocations from both the state and federal governments, deliberate tax evasion by the local citizenry, creation of nonviable local government areas, differences in the status of local governments in terms of the rural–urban dimension, and inadequate revenue and restricted fiscal jurisdiction'.

¹⁹ Excerpt from Max Lock Consultancy Nigeria Ltd (2010). *Op. cit.*.

²⁰ Khemani (2004)

²¹ Khemani (2004)