



Lagos Multi-Sector Analytical Review and Engagement Framework

Summary Note

June 2023

This report was developed with financial support from [SURGE](#).

Acknowledgment Statement:

This report has been prepared by the World Bank in consultation with relevant agencies of the Lagos State Government. The World Bank has been requested by the Government of Lagos for technical and analytical assistance, with a vision of transforming Lagos into a more livable and prosperous megacity. This report is part of The World Bank’s financed technical assistance “Lagos Platform for Development” which focuses on analytical work in the areas of strategic urban planning to foster an economically diverse and viable metropolitan area with emphasis to improve the operations and governance of urban services. This activity was supported by SURGE, a World Bank managed Umbrella Program financed by the Swiss State Secretariat for Economic Affairs (SECO), aimed at enabling cities and regions in developing countries to function as drivers of sustainable and inclusive economic development.

Contributors:

The report was prepared by Reyna Alorro (Urban Development Consultant), Oluwaseun Ayodele Olowoporoku (Urban Development Consultant), and Sandra Hiari (Urban Development Consultant), under the close supervision and guidance of Fuad Malkawi (Senior Urban Development Specialist & Task Team Leader), with contribution from David Mason (Urban Development Specialist), and Jeffrey Samuel Climans (Urban Development Consultant).

Disclaimer:

The findings, analysis and conclusions expressed in this document do not necessarily reflect the views of any individual partner organization of The World Bank, its Board of Directors, or the governments they represent. Although the World Bank, SURGE, and SECO make reasonable efforts to ensure all the information presented in this document is correct, its accuracy and integrity cannot be guaranteed.

Use of any data or information from this document is at the user’s own risk and under no circumstances shall the World Bank, GFDRR or any of its partners be liable for any loss, damage, liability or expense incurred or suffered which is claimed to result from reliance on the data contained in this document. The boundaries, colors, denomination, and other information shown in any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The report reflects information available up to June 30, 2023.

Contents

1. Introduction	1
2. Key Development Trends and Challenges	2
2.1 Lagos is central to Nigeria’s economy, but economic growth is stagnating while poverty remains high ..	2
2.2 Lagos is experiencing rapid population growth and uncontrolled spatial expansion	3
2.3 Livability is lagging, with a huge housing deficit, prevalence of slums and inadequate provision of basic infrastructure and services	4
2.4 Development is taking place in a context of increasing natural disasters and climate change	5
2.5 Buildings and infrastructure systems, together with urban sprawl, are major contributors to pollution and carbon emissions, exacerbating climate risks.....	6
2.6 Significant investment is needed to close the infrastructure gap and to upgrade to climate-smart systems	6
3. Constraints and Drivers of Change	7
3.1 Weak urban governance and finance systems are not able to deliver sufficient housing and services to meet the demands of Lagos’s growing population	7
3.2 An ineffective urban planning system holds down sustainable growth and exacerbates informality	8
3.3 Fragmented land administration and market distortions stymy affordable housing development, exacerbates informality, hampers economic development, and limits revenues.....	9
3.4 A lagging business environment inhibits private development, productivity and inclusive economic growth.....	10
4. Areas of Intervention to Harness Lagos’s Development Potential	11
Intervention Area 1: Strengthen governance, planning and finance systems.....	11
Intervention Area 2: Invest in integrated and climate–smart infrastructure and services	13
Intervention Area 3: Activate land and housing markets	14
Intervention Area 4: Foster economic development and inclusive growth	14
5. Multi-Sectoral Engagement Framework.....	16
6. Conclusion.....	20
Annex 1. Summary Matrix of Recommendations from the Multi-Sector Analytical Review.....	21
Annex 2. Multi-Sectoral Engagement Framework Buckets and Baskets of Sub-Projects.....	37

1. Introduction

In the Lagos State Development Plan (LSDP) 2012-2025 and the recently launched LSDP 2022-2052, the Lagos State Government (LASG) set out the vision and mission of the megacity. Through a set of 417 initiatives and 77 capital projects, the LASG aims to develop Lagos as “Africa’s model megacity and global, economic, and financial hub” and to “eradicate poverty and promote economic growth through infrastructural renewal and development.” The LSDP builds on the State’s previous THEMES agenda (Traffic Management and Transport, Health and Environment, Education and Technology, Making Lagos a 21st-century economy, Entertainment and Tourism, and Security and Governance). Numerous policies exist in the LSDP to help achieve the priorities under the LSDP, including the Lagos Resilience Strategy (2020) and the Lagos Climate Action Plan (Second Five-Year Plan 2020-2025). However, the LSDP, Lagos Resilience Strategy, and Lagos Climate Action Plan are more visionary and strategic, while other state policies are sector-specific (such as the Integrated Resource Plan (electricity policy) and the Strategic Transportation Master Plan). ***There is an urgent need to commit to transformation that spatially integrates and coordinates actions.***

This policy note aims to: 1) provide an understanding of the challenges that Lagos faces and to identify the constraints and opportunities that would promote integrated, resilient, and inclusive growth of the megacity; and 2) present a multi-sectoral engagement framework that serves as a platform to set a pathway for the development of Lagos. This note envisages supporting the LASG in identifying and advancing priority interventions aligned with the LSDP, the Lagos Resilience Strategy, and the Lagos Climate Action Plan, as well as local spatial plans and sectoral plans. It summarizes the rapid multi-sector analytical review for Lagos, which analyzed the status and outlook of economic growth and service delivery in Lagos and identified key development challenges and binding constraints for achieving the government's development objectives. The note presents the key findings from the review and a set of recommended intervention areas that serves as a pathway to harness Lagos’s development potential. Finally, based on the analytical review results and on stakeholder inputs, the note presents a multi-sectoral engagement framework proposed to realize the LASG’s vision of a resilient, inclusive, and prosperous city.

Through policy reforms and targeted investments, Lagos can utilize this opportunity to better plan and manage the development of the megacity in order to foster economic growth and reduce poverty for the country and region. This note presents the key challenges in Lagos along with a pathway forward. Sections 2, 3 and 4 present the key findings from the Lagos Diagnostic Study and Pathway for Transformation report. Section 2 presents key development trends and challenges while Section 3 presents the binding constraints that are holding Lagos back from fully realizing its development potential, which are also the drivers of change. Section 4 presents areas of intervention, key recommendations, proposed initiatives, and priority actions in the short, medium and long term to harness the potential of Lagos. Section 5 provides a summary of the Multi-Sector Engagement Framework report. The framework builds on the diagnostic study and intends to serve as a platform for development of Lagos, to support LASG in realizing its policy goals and objectives. Through both pieces of work, which are presented together with this note, it is evident that a coordinated multi-sectoral approach is key to support Lagos’s transition toward integrated, resilient, and inclusive growth.

2. Key Development Trends and Challenges

The multi-sector analytical review identified several key development trends and challenges that Lagos faces. These are summarized in the sub-sections that follow.

2.1 Lagos is central to Nigeria's economy, but economic growth is stagnating while poverty remains high

Lagos plays a major role in Nigeria's economy and serves as a key node for regional, national and international linkages. While Lagos constitutes only 8 percent of Nigeria's population, the state generates 15 to 30 percent of Nigeria's GDP.¹ Also, Lagos's GDP growth is greater than that of the country's (5.8 percent vs. 5.2 percent between 2003 and 2019).² Lagos is Nigeria's financial hub and trade center, home to major commercial banks, the Nigerian Stock Exchange, and 40 percent of registered businesses.³ The state's economy is steered by non-agriculture sectors, with dominant specialization in services (consumer, transport and ICT, and financial and business) relative to benchmark cities.⁴ Lagos also serves as Nigeria's largest port, providing direct access to international trade and freight routes that connect Asia, Europe, and North America, with 75 percent of the country's imports passing through the megacity.⁵ In addition, 50 percent of cargo movements in the North and Central African subregion pass Lagos's borders.⁶ The Lagos-Kano transport corridor is the main channel for domestic, regional, and international trade in Nigeria, spanning about 990 km and linking the country's two most populous cities (Lagos and Kano), while passing through Kaduna, Ilorin, and Ibadan.

However, rapid population growth is occurring in a context of overall economic stagnation, with the informal sector playing a major role in the economy. Data shows that Lagos's GDP per capita is currently just below its level in 2010 (slightly above USD\$4,000 in 2022), after peaking in 2015 (at just below USD\$5,000).⁷ Stagnant growth could be attributed to the large role that the informal economy plays: According to state data, 45 percent of household members are employed informally ("self-employed"),⁸ and about 42 percent of all commercial activity is conducted through the informal sector.⁹ The informal sector contributes about one-third to Lagos's economy.¹⁰ Lagos hosts most large firms and micro, small, and medium enterprises (MSMEs) compared to other Nigerian cities: 3.2 million MSMEs employ about two-thirds of the working population.¹¹ However, businesses experience significant growth constraints,

¹ State government data varies. According to a Lagos Bureau of Statistics report published in 2022, "Lagos State Gross Domestic Products: 2013-2021," the state contributed 15 percent toward national GDP. However, according to the LSDP 2022-2052, Lagos contributes 30 percent of Nigeria's GDP.

² MEPB. 2022. "Lagos State Development Plan 2052."

³ World Bank. 2019. "Nigeria Systematic Country Diagnostic."

⁴ Oxford Economics. 2022. "Competitive Cities Database." Benchmark cities include Abidjan; Addis Ababa; Dakar; Dar es Salaam; Ibadan; Kampala; Kano; Khartoum; Kinshasa; Kumasi; Luanda; and Nairobi. These are the largest sub-Saharan African cities with data available in countries not classified as High Income or Upper Middle Income. The aggregate figure for benchmark cities is the median value.

⁵ MEPB. 2022. "Lagos State Development Plan 2052."

⁶ MEPB. 2022. "Lagos State Development Plan 2052."

⁷ Oxford Economics. 2022. "Competitive Cities Database."

⁸ Lagos Bureau of Statistics. 2020.

⁹ MEPB. 2022. "Lagos State Development Plan 2052."

¹⁰ Lagos State Resilience Office. 2020. "Lagos Resilience Strategy."

¹¹ Lagos State Resilience Office. 2020. "Lagos Resilience Strategy."

due to inadequate infrastructure and connectivity; challenges in accessing land and cumbersome building permit processes; poor access to finance (especially for MSMEs); and high compliance costs for informal sector actors to formalize their business.

Poverty and unemployment rates are high. Lagos is the state with the lowest poverty rate at 4.5 percent.¹² However, according to the LASG’s classification, over 78 percent of households are considered either “poor” or “extremely poor.”¹³ Spatial mapping shows higher concentrations of poverty in the urban peripheries to the south, east, and west, with pockets of poverty existing within the urban core. Globally, economic growth and transformation are associated with increasing urbanization: The release of labor from agriculture as people move to cities and take on more productive jobs leads to sustained labor-productivity increases. However, in the case of Lagos, migration is not necessarily linked to a greater supply of more productive jobs. Two-thirds of the state’s population is of working age (15 to 64 years old), but unemployment and underemployment rates are 24 percent¹⁴ and almost 42 percent,¹⁵ respectively. Narrow economic opportunities, primarily in the informal sector, and the poor quality and limited availability of services¹⁶ contribute to the high level of poverty. Increased access to good-paying formal jobs as well as infrastructure improvements are critical to improve livelihoods and Lagos’s economic outlook.

2.2 Lagos is experiencing rapid population growth and uncontrolled spatial expansion

Lagos’s population is rapidly growing, and Lagos is Nigeria’s most densely populated state. The annual population growth rate is 3.2 percent,¹⁷ higher than the country’s growth rate of 2.6 percent.¹⁸ Due to natural growth and migration, Lagos’s population increases daily by nearly 3,000 persons.¹⁹ National and state statistical data vary, putting Lagos’s population between 13 and 27 million.²⁰ By 2053, Lagos’s population is projected to surpass 32 million,²¹ and by 2100, Lagos is projected to become the world’s most populous city, with 88.3 million.²² While Lagos has the smallest landmass among Nigeria’s 36 states (at 3,500 per square km), Lagos is the most densely populated state, with approximately 8,000 persons per square km, which is 40 times Nigeria’s average of 200 persons per square km. About 90 percent of the population lives and works in the Lagos metropolitan area,²³ which comprises 16 of the 20 local

¹² World Bank. 2022. “Nigeria Poverty Assessment.”

¹³ Lagos Bureau of Statistics. 2020. “Poverty Profile for Lagos State.”

¹⁴ MEPB. 2022. “Lagos State Development Plan 2052.”

¹⁵ BudgIT. 2021. “State of States Report.”

¹⁶ This includes quality education and healthcare access, but supporting data was not readily available for this study.

¹⁷ Lagos Bureau of Statistics. 2020. “Poverty Profile for Lagos State 2020.”

¹⁸ National Population Commission. 2021. “National Policy on Population for Sustainable Development,” November 2021.

¹⁹ Lagos State Resilience Office. 2020. “Lagos Resilience Strategy.”

²⁰ Most recent estimate by the Nigeria National Bureau of Statistics in 2020 was 12.8 million in 2019; according to the Lagos Bureau of Statistics in 2020, the population reached over 26.4 million in 2019. This could partially be attributed to daily migrants to Lagos, which are not being reported.

²¹ Ministry of Economic Planning and Budget (MEPB). 2022. “Lagos State Development Plan 2052.”

²² Hoornweg, D., & Pope, K. 2016. “Population Predictions for the World’s Largest Cities in the 21st Century.” *Environment and Urbanization*, 29(1), 195-216.

²³ Abubakar, I. R., & Dano, U. L. 2018. “Socioeconomic Challenges and Opportunities of Urbanization in Nigeria.” *Urbanization and its impact on socio-economic growth in developing regions*, 219-240.

government areas (LGAs) within the state. Population is densest in the central core, especially Ajeromi LGA,²⁴ with extensive peri-urban population growth in Ikorodu and Eti-Osa LGAs in the past 20 years. The greatest number of out-of-state immigrants arrive in the LGAs surrounding the core, including Apapa; Amuwo Ofodin; Alimosho; Ifako; and Kosofe.²⁵

Rapid population growth is being accommodated largely through expansion of the built-up area, extending beyond the designated metropolitan area and the state's borders. The built-up area of Lagos has been growing at an average annual rate of 2.6 percent since 2000.²⁶ The high concentration of people and activities at the center of Lagos has prompted the government to seek development along the periphery and outside the designated metropolitan area. This is evident through spatial mapping, which shows recent expansions taking place in Alimosho and Ikorodu, as well as east of the Lagos metro area in Eti-Osa²⁷ and along the Lekki, Epe, and Ibeju-Lekki axis. Sprawling growth continues outward to neighboring Ogun state, especially along the Sango-Ota axis and Sagamu Interchange.²⁸ Nighttime data shows economic activity increasing beyond the urban core, primarily spreading east and further afield both east and west of the city center (such as in the Eti-Osa; Epe; and Ibeju-Lekki).

Spatial development of Lagos is characterized by urban sprawl, which has economic, environmental, and social consequences. Sprawl increases the cost to extend infrastructure and deliver services, and leads to traffic congestion and increased carbon emissions, which impact livability and productivity. Commuters spend up to four hours daily in traffic as a result of uncoordinated planning and investments.

2.3 Livability is lagging, with a huge housing deficit, prevalence of slums and inadequate provision of basic infrastructure and services

According to the 2022 Economist Intelligence Unit Global Liveability Index, Lagos ranks as the second least livable city out of 172 global cities.²⁹ Rapid development of Lagos has led to multiple challenges that impact livability, with substantial deficits in housing and infrastructure as major contributing factors. State ministries, departments, and agencies (MDAs) as well as local governments are unable to meet the demand for housing and services such as water supply and sanitation (WSS); transport; solid waste management (SWM); drainage and flood protection; and electricity.

A shortage of well-located affordable housing options contributes to low livability and is a driver of informal settlements. The housing deficit in Lagos is 3 to 4 million units,³⁰ with 87 percent of them needed for low- and very low-income households.³¹ High costs of available housing have resulted in overcrowded living conditions, with 50 percent of residents living in households where more than three people sleep in

²⁴ WorldPop. Bondarenko, et al. "Census/Projection-Disaggregated Gridded Population Datasets, 2020."

²⁵ Lagos State Government. 2020. "Table 121. State of Origin of Household Members." *Poverty Profile for Lagos State*.

²⁶ Atlas of Urban Expansion. 2016.

²⁷ DLR. 2015. "World Settlement Footprint Evolution - Landsat 5/7 - Global."

²⁸ Onilude, O. O., & Vaz, E. 2021. "Urban Sprawl and Growth Prediction for Lagos Using GlobeLand30 Data and Cellular Automata Model." *Sci*, 3(2), 23.

²⁹ Cities are included in the index based on data availability and the index is calculated based on stability, healthcare, culture and environment, education and infrastructure factors.

³⁰ The housing deficit is around 3 million, according to Lagos Resilience Strategy, 2020, and over 4 million according to World Bank's Housing Affordability Assessment (2022), using NBS data from 2020.

³¹ World Bank. 2022. "Housing Affordability Assessment."

a single room.³² Meanwhile, insufficient supply of affordable housing has led to the proliferation of underserved, vulnerable, and tenure-insecure settlements. Informal settlements house 50 to 75 percent³³ of Lagos's residents.

Serious backlogs in basic infrastructure and services also contribute to low livability and constrain economic development. Investments have not kept up with population growth and spatial expansion of the megacity, while informality is driving up the cost of delivering infrastructure in Lagos. The cost of retrofitting infrastructure in informal settlements has been found to be two to eight times as much as regular land development.³⁴ With respect to electricity, only 14 percent of households receive steady, reliable supply (over eight hours per day).³⁵ In terms of WSS, only 35 percent of the population of metropolitan Lagos has access to the public water supply,³⁶ while only 5 percent is connected to the public sewerage system.³⁷ Existing wastewater treatment infrastructure is inadequate, with 40 percent of the available wastewater treatment infrastructure either non-functional or in a state of disrepair.³⁸ Solid waste collection and recycling rates are low, at 20 to 30 percent and 13 percent, respectively.³⁹ Further, urban drainage systems are clogged due to the indiscriminate dumping of refuse, which poses serious environmental degradation and public health risks. Urban mobility is limited by insufficient transport infrastructure and poor spatial planning. Within the megacity, there is incessant road-traffic congestion and overall poor mobility. Contributing factors for these issues are heavy reliance on road transport (nearly 98 percent of commuters use road transport, while just 1 percent use rail and 0.3 percent use water transport),⁴⁰ fragmented public transport, lack of infrastructure for pedestrians and cyclists and street trading activities. Waterway, rail, and bus investments are underway, but an integrated multi-modal system is needed to improve mobility and connectivity, supported by a strong regulatory framework.

2.4 Development is taking place in a context of increasing natural disasters and climate change

Rapid population and spatial growth of Lagos are taking place in a context of increasing natural disasters and climate change, threatening the megacity's resilience. Severe environmental degradation as a result of rapid, uncontrolled development exacerbates the vulnerability of Lagos's residents to disaster and climate risks. Urban expansion has taken place through deforestation, the reclamation of water bodies (along the Epe, Badagry, and Ibeju-Lekki LGAs), and the reduction of green spaces. These expansion methods are major drivers for temperature increases and for biodiversity loss in urban areas. Meanwhile, disaster and climate risks have increased, including flooding; coastal erosion; sea level rise; and extreme

³² UN-Habitat. 2021. "City Profile #4. Lagos, Nigeria."

³³ UN-Habitat calculated 50 percent in 2019. The 2052 LSDP puts the share of population living in slums at 75 percent.

³⁴ This is according to a 2017 World Bank study in Latin America: Fay, Marianne; et al. 2017. "Rethinking Infrastructure in Latin America and the Caribbean: Spending Better to Achieve More." World Bank, Washington, DC.

³⁵ World Bank. 2021. "Lagos DPV Final Report."

³⁶ Lagos Resilience Strategy. 2020.

³⁷ Lagos Resilience Strategy. 2020.

³⁸ Environmental Rights Action. 2016. "Lagos Water Crisis: Alternative Roadmap for Water Sector."

³⁹ World Bank. 2022. Presentation on "Reducing Marine Plastic Pollution and Creating Plastic Recycling Market in Lagos State, Nigeria," with data from LAWMA.

⁴⁰ LSDP 2022-2052.

heat, as planning and land management are failing to cope with the influx of people and the pressure for services. Uncontrolled spatial expansion of the built-up area has increased the state's exposure to natural disasters, a trend that will worsen with climate change. In Lagos, 18 percent of land is on low-lying coastal plain and prone to regular flooding, with large parts of the urban area at higher risk due to their lack of sufficient drainage capacity.⁴¹ Flood damage (to assets, economic production, and mortality) are estimated to cost almost USD\$4 billion each year. Oshodi-Isolo faces the most built-up area exposure to a 10-year flood, while Epe, Badagry, and Oshodi-Isolo face the highest population exposure.⁴² Furthermore, 86 percent of the state's coastline is subject to erosion. The coastline is eroding at an average annual rate of 8 percent (8.2 meters per year).⁴³ Loss of assets, economic production, and land as a result of coastal erosion are estimated to cost USD\$1.7 billion annually.

2.5 Buildings and infrastructure systems, together with urban sprawl, are major contributors to pollution and carbon emissions, exacerbating climate risks

Poor quality services and energy-inefficient buildings have negative environmental and public health consequences, threatening the resilience of Lagos. According to the LSDP, the highest share of greenhouse gas (GHG) emissions is from stationary energy. Residential buildings accounts for 21 percent of these emissions, while manufacturing accounts for 23 percent and commercial activity accounts for 11 percent. Due to inadequate electricity access in buildings, about 80 percent of Lagos's population relies on diesel generators during power outages, which are polluting and pose health and environmental risks.⁴⁴ The transportation sector also contributes significantly to air pollution and climate impacts, accounting for 20 percent of GHG emissions in Lagos. This could be attributed to urban sprawl and heavy traffic congestion, which extends commute times and increases carbon emissions. Reforms are necessary to minimize emissions, such as by increasing use of alternative modes to road transport, supporting mass transit and transit-oriented development, and decarbonizing the public transit fleet. The waste sector is the highest source of particulate matter (PM2.5) and the third-largest source of GHG emissions in Lagos, contributing about 16 percent of the state's total emissions.⁴⁵ This is attributed to the limited SWM system, with households generally relying on open dumpsites, open burning, and biomass burning for waste disposal. Pollution in Lagos is mainly associated with improper solid waste/plastic disposal. Lastly, insufficient drainage capacity contributes to urban flooding, while paved areas and buildings lacking infiltration and clogged stormwater canals exacerbate flood risks.⁴⁶ Policy reform and investments are needed for buildings and infrastructure systems to be upgraded and/or retrofitted to be climate-smart.

2.6 Significant investment is needed to close the infrastructure gap and to upgrade to climate-smart systems

Significant coordinated investments are needed across service sectors to improve livability, support economic growth, and foster resilience in Lagos. Lagos estimates that it needs over USD\$50 billion to

⁴¹ CDR International, World Bank. October 2022. "Multi-Sectoral Resilient Plan and Pre-Design Studies for Coastal Resilience in Nigeria: Intervention Site Report."

⁴² World Bank. 2022. "Nigeria DRM Analysis Outputs" presentation.

⁴³ World Bank. 2020. "The Cost of Coastal Zone Degradation in Nigeria: Cross River, Delta, and Lagos States."

⁴⁴ LSDP 2022-2052.

⁴⁵ Akpokodje, J., et al. August 2022. "Air Quality Management Planning for Lagos State." World Bank.

⁴⁶ CDR International, World Bank. October 2022. "Multi-Sectoral Resilient Plan and Pre-Design Studies for Coastal Resilience in Nigeria: Intervention Site Report."

address an investment gap across transport; water; SWM; and information and communications technology (ICT). By comparison, Lagos has managed to invest *less than USD\$1 billion annually over the last decade*.⁴⁷ To support Lagos’s sustainable growth, investments are needed in housing, social, and green infrastructure, and soft investments are needed in institutional, technical and financial capacity building. Lagos will need a mix of investments and supportive policy reforms to close its infrastructure gap. Moving ahead, major challenges will include prioritizing investment needs and choosing optimal forms of service provision, including the private sector’s role, and clearly defining the functions and powers of institutions.

3. Constraints and Drivers of Change

The challenges Lagos faces are attributed to four main constraints, which are inter-linked systems. The systems are currently holding Lagos back from fully realizing its development potential and its role in leading economic growth and poverty reduction for the country and region. However, they can be transformed to become drivers of change. The four main constraints are briefly presented in the next subsections.

3.1 Weak urban governance and finance systems are not able to deliver sufficient housing and services to meet the demands of Lagos’s growing population

Governance issues pose the most significant constraint to the sustainable growth and development of Lagos and they affect other system constraints as well. Three interrelated governance challenges hold back effective and efficient management of the megacity: 1) the governance system itself, 2) limited capacities within government units, and 3) weak coordination mechanisms. For the first challenge, with respect to Nigeria’s governance system, there is a “missing” city level to effectively plan; coordinate; develop; and manage infrastructure systems and services at the urban level. Unlike many (or most) other countries, Nigeria does not have municipal or metropolitan governments — the constitution simply makes no provision for urban subnational administrative units. As such, no unit of governance and coordination exists at the city or metropolitan level to coordinate planning and budgeting or to finance the provision of urban infrastructure and services. Instead, federal, state, and local governments (local councils)⁴⁸ divide responsibility for the provision of public goods and services. In the case of Lagos, some of the functions of local councils have been taken over by the state government, which has had negative impacts on the effective delivery of housing, infrastructure, and services. The second constraint is the limited capacities within these government units. Capacity challenges within each unit of government slow service expansion and hinder the quality of service provisions. In practice, federal, state, and local levels often overlap in providing services, leading to inefficiency and poor accountability. The third challenge consists of the weak mechanisms for coordination across jurisdictions and among the different parties involved in delivering services. Weak coordination deters effective planning; implementation of investments; operation of services; and maintenance of infrastructure. Institutional changes are necessary to more effectively and efficiently tackle the many challenges Lagos faces.

⁴⁷ International Finance Corporation, World Bank. 2021. “Concept Endorsement and Approval Note for Blended Finance Committee for the Lagos City Infrastructure project (40065),” May 26, 2021.

⁴⁸ States in Nigeria are sub-divided into local government areas (LGAs). In the case of Lagos, the state comprises 20 LGAs. Administrative oversight of LGAs is shared between the state government and local council, which is essentially an arm of the state government.

Following the governance structure in Nigeria, the lack of an urban or municipal finance system results in insufficient delivery of goods and services for Lagos’s growing population. As a result of the governance system in Lagos, public goods and services are provided and financed in a largely ad hoc or residual way. Despite their formal functional assignments, local councils have very little autonomy and much more limited fiscal and financial management capacity than the state government. Meanwhile, the state’s constitutionally defined functions go well beyond any municipal or metropolitan mandate. With the state’s broad financial obligations, this has led to capital investments being financed on an ad hoc basis, which insufficiently addresses the needs of Lagos’s residents. In addition, revenues are insufficient to support needed capital investments and ongoing maintenance and operations. While own source revenue (OSR) plays a major role in total state revenues (70 percent), revenue generation is low compared to the potential in Lagos. The existing tax base coverage and collection rates could be much improved: Property tax contributes just 1 percent of OSR.⁴⁹ The tax base is limited due to incomplete land registration and low tax rates.⁵⁰ Poor enforcement is also an issue. There is also potential to increase personal income tax revenue (through the pay as you earn system, or PAYE), as many businesses, high-net-worth individuals (HNWIs) and the informal sector are currently out of the tax net. Another constraint to financing capital investments is that state debt levels are extremely high, raising rollover risks. At the local level, local councils receive very little federal transfers,⁵¹ and local OSRs are insignificant to support needed investments.⁵² Lastly, state spending trends are unclear. Lack of transparency prevents the identification of any inefficient expenditures and the redirection of resources to where they are needed. Efforts to increase revenues and increase budget transparency are highly necessary to support financing investments for Lagos’s sustainable growth.

3.2 An ineffective urban planning system holds down sustainable growth and exacerbates informality

The absence of a municipal or a metropolitan authority with specific responsibility for urban areas compromises effective planning and hampers sustainable growth of the megacity. While local councils exist to manage each of the 20 LGAs within the state, local councils are not involved in planning the development of their designated areas. Instead, the state government through the Ministry of Physical Planning and Urban Development (MPPUD) has responsibility over preparation and implementation of regional and subregional urban master plans, as well as development plans. However, plan implementation by the MPPUD has been slow, largely due to administrative bottlenecks and legal limitations. The state lacks a law that makes physical plans the binding framework to guide development. As such, plans are not effectively implemented, and due to a lack of plan enforcement capacity, informal development continues to take place. Lack of citizen engagement in the planning process poses an additional deficiency. Citizens are not meaningfully engaged throughout the planning process, resulting in plans that do not adequately address local needs. The deficient regulatory system holds down sustainable development and exacerbates informality in Lagos. The complicated and cost-prohibitive planning permit and building approval process poses a major constraint to doing business in Lagos. This

⁴⁹ World Bank. 2020. “Lagos State Finances: What’s Next?” (presentation).

⁵⁰ World Bank. 2021. Lagos finance presentation, March 17, 2021. In 2019, the property tax yield was equivalent to US\$0.43 per capita compared to US\$160 per capita in Johannesburg.

⁵¹ A major challenge for local governments is that the share of federally collected revenues allocated to LGAs flows through the state government. The state then “deducts” charges for state government expenditure from gross local government allocations, leaving LGAs to receive very limited revenues attributed to federal transfers.

⁵² LGAs are assigned less important and smaller internally generated revenues (such as licensing fees for shop owners and artisans; marriage registration; open-air-event permit fees; and rent on local government properties).

leads residents to evade the process and results in the proliferation of informal and poorly constructed buildings that are not disaster and climate resilient. Furthermore, land use plans and sectoral plans lack coordination, leading to inefficient use of resources and continued service challenges. There is an urgent need to integrate existing and proposed master plans into a comprehensive metropolitan plan that strategically coordinates land development and service provision. A metropolitan plan for Lagos exists, but it is outdated.

3.3 Fragmented land administration and market distortions stymy affordable housing development, exacerbates informality, hampers economic development, and limits revenues

Lagos’s land administration system impedes the efficient delivery of land for development. This is attributed in large part to the bifurcated system between statutory and customary land management. Several constraints prevent the development of a healthy land market in Lagos. First, as a result of the deficiencies in the 1978 Land Use Act, the legal framework for land administration in Nigeria, most land claims are insecure and even state-granted titles can be revoked.⁵³ Second, high barriers and costs to register land mean that few property owners bother registering, exacerbating informality and vulnerability. Acquiring formal title in Lagos involves double purchase payments, first to the indigenous landowner and then to the state government to obtain a Certificate of Occupancy. The majority of residents are unable to afford the high cost to obtain legal title, leaving them vulnerable to forced eviction, in light of government-led urban development efforts. Third, state and local governments have little information about the location, ownership, or use of specific parcels. The lack of fully functional land-information systems constrains urban planning, limits private-sector investment, and thus hinders sustainable development in Lagos. It also limits the collection of taxes and thus the ability of governments to raise essential resources. Other land challenges prevalent in Lagos include land speculation after legal acquisition, locking land available for needed housing development, and land grabbing. While the state government has carried out several reforms to improve the land market, with the aim of attracting investment, challenges persist. Further reforms are necessary to strengthen land administration and improve tenure security. Once in place, they will improve land regularization and better manage informal growth; simplify registration for firms and enable a better business environment; foster better planning and development; and support increased property tax revenue generation.

Land and housing market distortions pose as constraints to housing provision and affordability in Lagos. The high price and rapid appreciation of land in the metropolitan area have led to a lack of affordable land, with the majority of Lagos’s population living in informal housing. Housing costs have increased while wages have remained stagnant (or only marginally increased). Prices of imported building materials have become expensive in light of the devaluation of the Nigerian currency and global inflation. In addition, the difficulty in accessing housing finance in Lagos is a persistent challenge. Mortgages are exorbitant and thus remain out of reach for the majority of residents: A would-be homeowner is expected to provide a

⁵³ The 1978 Land Use Act (LUA) confers all powers of ownership of lands to state governors and their Land Use and Allocation Committee, and the act effectively reduces all claims on land to leasehold status (via a Certificate of Occupancy), vesting all ownership (freehold) in the hands of the government. The LUA grants governors the authority to revoke statutory and customary rights of occupancy if the land is required for “public purpose.” Thus, a C of O does not constitute title security.

deposit of between 10 and 30 percent⁵⁴ to access a mortgage at high interest rates of 15 to 25 percent.⁵⁵ Renting is typically considered a more affordable alternative to homeownership, but rents in Lagos are extremely high, over 150 percent⁵⁶ more than the acceptable average of spending one-third of income on housing. National and state housing programs exist to address supply and demand issues, but they have had minimal effect, while private-sector participation in building affordable housing has been limited. Reform is necessary to support market-enabling solutions that will reduce the cost of housing and attract private investment. Enabling the production of formal affordable housing is critical to accommodate Lagos's growing population and to limit the expansion of informal settlements.

3.4 A lagging business environment inhibits private development, productivity and inclusive economic growth

Cross-cutting constraints contribute to a high cost of doing business in Lagos, inhibiting economic development. As previously discussed, inadequate infrastructure hampers business growth. Infrastructure gaps — in power; transport; WSS; and ICT — are also the biggest contributors to low productivity in key sectors. Uncoordinated economic development and transport investments impact market access/connectivity. Jobs are mainly located in the urban center, while many residents live in the outskirts due to the high cost of living and lack of affordable housing in the central area. As also previously highlighted, poor access to land and a cumbersome building permit process also hamper business growth and development. Additional constraints include⁵⁷ poor access to finance, especially for Lagos's high share of MSMEs,⁵⁸ and high compliance costs to formalize businesses, which is problematic considering the large role played by the informal sector. Weak competition in consumer product markets impedes inclusive growth: Retail prices are generally higher in Lagos than in other major cities in the rest of the world. Removing restrictions to competition could create new markets, boosting growth and general welfare. Furthermore, poor human capital outcomes (education and health) adversely affect labor quality, productivity, and economic growth. In general, the working population lacks requisite skill sets and education for more productive job opportunities. The government's low expenditure on health over the past two decades has limited the expansion of highly cost-effective interventions, stunting health outcomes and exposing a large share of the population to catastrophic health expenditures, impacting livelihoods. Lastly, ongoing violence, insecurity, and corruption pose additional constraints to economic development. Together, these constraints underpin the underperformance of Lagos's economy.

⁵⁴ World Bank. 2022. "Housing Affordability Assessment."

⁵⁵ World Bank. 2015. "Slum Upgrading, Involuntary Resettlement, Land and Housing: Lessons Learned from the Experience in Lagos and Other Mega-Cities."

⁵⁶ LSDP 2052.

⁵⁷ International Finance Corporation, World Bank. 2020. "Creating Markets in Nigeria: A Country Private Sector Diagnostic," October 2020.

⁵⁸ Nigeria has a weak regulatory framework for microfinance banks and MSMEs lack technical capacity to make successful loan applications.

4. Areas of Intervention to Harness Lagos’s Development Potential

A coordinated and integrated multi-sectoral approach is needed to unlock Lagos’s full development potential and to enable the LASG to realize the policy aspirations and objectives stated in the LSDP, the Lagos Resilience Strategy, other government plans. Reforms across sectors are urgently needed to address the needs of Lagos’ rapidly growth population and to support sustainable development of Lagos - in a business-as-usual scenario without adequate planning and coordination of investments, the economic costs and the vulnerability of Lagos’ population will increase exponentially with recurring natural disasters increasingly driven by climate change.

Four interlinked “areas of intervention” are identified to support LASG in advancing implementation of its various plans and strategies and to fully realizing the development potential of Lagos and its role in leading economic growth and poverty reduction for the country and region. Through the multi-sector analytical review of Lagos, the following four intervention areas are identified:

1. **Strengthen governance, planning and finance systems** to support coordinated and sustainable growth and development - a multisectoral planning and investment vehicle is highly needed;
2. **Invest in integrated and climate-smart infrastructure and services** to improve livability and resilience and foster economic growth;
3. **Activate land and housing markets** for improved planning, livability and economic growth; and
4. **Foster economic development and inclusive growth** for increased productivity and improved livelihoods.

For each intervention area, a set of recommendations is proposed. In addition, medium- to long-term development initiatives and priority actions are identified to implement each recommendation. The recommendations under each area, along with a brief summary of the corresponding initiatives, are presented following sections. A matrix presenting the full set of recommendations, initiatives, and priority actions is included in Annex 1. It should be re-emphasized that implementing the recommendations to transform Lagos into a prosperous, livable, and resilient megacity will require a coordinated and integrated multi-sectoral approach. This entails cooperation and concerted efforts by state MDAs and local councils to execute strategies effectively.

Intervention Area 1: Strengthen governance, planning and finance systems

Strengthen governance, planning and finance systems

1. Strengthen urban management and service delivery through governance reform, cross-sectoral digital coordination, and technical and financial capacity building
2. Support sustainable growth of Lagos through community-driven and climate and disaster-risk informed spatial planning and development

Recommendation 1.1: Strengthen urban management and service delivery through governance reform, cross-sectoral digital coordination, and technical and financial capacity building. Initiatives to strengthen

urban management and service delivery include supporting more effective and efficient delivery of services through improvements in state and local governance. This recommendation also entails developing a multi-sectoral governance framework for effective capital planning, establishing protocols and procedures for inter-agency coordination, and developing a digital platform for inter-agency coordination. Urban management and service delivery can potentially be more effective by establishing a metropolitan-wide development authority to support integrated planning, coordinated service provision and land development. Strengthening technical capacity of urban service-sector authorities and local councils to improve delivery of mandates is also key, in addition to improving performance and enhancing accountability and transparency through improved data management. Furthermore, bolstering the state finance system is necessary to support needed investments for sustainable growth and climate resilience. Finance system initiatives include improving OSR generation; strengthening the institutional and regulatory framework for public-private partnerships (PPPs) and land-based financing; and improved financial management, such as through the establishment of performance-based financing for MDAs to improve the implementation of sustainable urban projects with climate change considerations.

Recommendation 1.2: Support sustainable urban growth of Lagos through community-driven and climate and disaster-risk informed spatial planning and development. Initiatives to support sustainable growth include developing a visionary and coherent metropolitan-level spatial plan; increasing the effectiveness of plans by making them legally binding, engaging citizens and ensuring that plans are climate- and disaster-risk informed; and supporting technical capacity building for agencies involved in planning activities to improve plan implementation, monitoring, and enforcement. Planning reform should also entail promoting urban regeneration and compact mixed-use development to counter urban sprawl and reduce carbon emissions. Where urban expansion is necessary, pre-feasibility studies should be required to ensure that new development is economically, socially and environmentally sound. Other initiatives include developing urban landscape design guidelines for resilient public spaces, developing an urban greening program to increase provision of green infrastructure and mitigate urban heat island effect, restoring critical wetlands to support biodiversity and resilience, developing building material and solar guidelines for new construction to reduce GHG emissions, and developing a pilot urban eco-district program collaboratively between the Ministry of Physical Planning and Urban Development (MPPUD) and the Ministry of Energy.

Intervention Area 2: Invest in integrated and climate-smart infrastructure and services

Invest in integrated and climate-smart infrastructure and services

1. Improve urban mobility through development of an enhanced transportation network that is integrated, multi-modal and supports carbon emissions reduction
2. Develop an integrated solid waste management system - waste minimization, collection, separation and treatment - through comprehensive planning, investment and capacity building
3. Increase access to water supply and sanitation services and develop an integrated urban water management system that coordinates water supply, sewerage, stormwater drainage, wastewater treatment, solid waste management and land use planning
4. Increase access to reliable energy through implementing policy reform and supporting clean energy sources

Recommendation 2.1: Improve urban mobility through development of an enhanced transportation network that is integrated

and multi-modal and that supports carbon emission reduction. While the government is making bus, rail, and waterway improvements, isolated solutions will not help to solve the urban mobility problems in Lagos. Developing an integrated, multi-modal urban mobility system is key. Efforts to improve mass-transit solutions — through rail and bus rapid transit (BRT) — should continue while also investing in smaller capacity modes of transport, such as buses, waterways, and non-motorized options. Investing in non-motorized transport infrastructure is essential to promote safe, net-zero transport. Decarbonizing the public transport fleet would support GHG emission reductions and contribute to improved air quality.

Recommendation 2.2: Develop an integrated SWM system — waste minimization; collection; separation; and treatment — through comprehensive planning, investment, and capacity building. This recommendation entails developing a comprehensive waste management plan and platform, followed by developing new SWM infrastructure and rehabilitating existing infrastructure. Other initiatives include developing replicable pilot residential and public-school recycling and composting programs to engage communities; building capacities to improve institutional effectiveness and to raise public awareness; and establishing and enforcing penalties on open burning of waste and littering.

Recommendation 2.3: Increase access to WSS services and develop an integrated urban water management system that coordinates water supply; sewerage; stormwater drainage; wastewater treatment; SWM; and land-use planning. Initiatives to implement this recommendation include developing a comprehensive and realizable integrated urban water management system with state-wide coverage, investing in new WSS infrastructure to extend access to unserved/underserved areas, and rehabilitating existing infrastructure for more efficient service delivery. Improving the WSS system would also entail building financial and technical capacities for improved operations and maintenance of WSS infrastructure and developing tools and assessments for improved flood-risk management.

Recommendation 2.4: Increase access to reliable energy through implementing policy reform and supporting clean-energy sources, such as solar. This recommendation entails implementing a

comprehensive electricity reform policy, in coordination with federal regulators; improving financing for clean energy sources; increasing commercial use of clean energy; supporting the operations for clean energy; creating an enabling environment for clean energy delivery; and developing a pilot urban eco-district program collaboratively between the Ministry of Energy and Mineral Resources (MEMR) and MPPUD.

Intervention Area 3: Activate land and housing markets

Activate land and housing markets

1. Improve land administration through complete digitization of regularization process and capacity building to increase tenure security, foster better planning and urban development, enable private investment and support increased property tax revenue generation
2. Increase access to quality affordable housing through comprehensive planning, incentivizing private sector participation, innovative design, and boosting housing finance and slum upgrading programs

Recommendation 3.1: Improve land administration through complete digitization of regularization process and capacity building to increase tenure security; foster better planning and urban development; enable private investment; and support increased property tax revenue generation. Initiatives include developing a comprehensive land information system; strengthening capacity to increase efficiency of land titling and registration processes; enforcing vacant land taxation programs to prevent land banking and stimulate housing development; and identifying mechanisms to improve property tax collection.

Recommendation 3.2: Increase access to formal, affordable and climate- and disaster-proofed housing through comprehensive planning; increased private-sector participation; innovative design; housing finance; and slum-upgrading programs. Implementing this recommendation would entail developing a state-level comprehensive housing policy/strategy to improve access to formal affordable housing and limit the proliferation of informal settlements. Other initiatives include incentivizing private-sector participation for the development of affordable housing; supporting innovative building strategies to reduce costs of construction, thereby increasing housing affordability and promoting energy efficiency; and expanding slum-upgrading programs to include onsite housing improvements. The feasibility of in-situ slum-upgrading projects should be evaluated over the development of new housing in peri-urban areas.

Intervention Area 4: Foster economic development and inclusive growth

Foster economic development and inclusive growth

1. Prioritize infrastructure investments that create jobs and promote economic development
2. Enhance process of doing business
3. Support inclusive economic development

Recommendation 4.1: Prioritize infrastructure investments that create jobs and promote economic development. Infrastructure investments would include power, water supply and sanitation, solid waste

management, transport and ICT. Priority actions include identifying existing market areas, development corridors and targeted growth areas and conducting needs assessments to identify and prioritize investments needed to enhance market access and connectivity.

Recommendation 4.2: Enhance process of doing business. This involves two main initiatives. The first is to support further building permit process reform. Priority actions would be to build technical capacity to facilitate a more efficient and expedient building permit process. This includes streamlining and fully digitizing permitting and payment processes. The second initiative is to improve access to land for development through land administration reform. This would involve strengthening institutional capacity to increase efficiency of land titling and registration processes

Recommendation 4.3: Support inclusive economic development. This entails four initiatives: 1) prioritizing human capital investments to develop job skills and improve labor quality and productivity, 2) removing restrictions to competition to provide more affordable access to goods and increase welfare, 3) providing support to MSMEs to improve access to finance, and 4) reducing compliance costs to support increased business formalization. For prioritizing human capital investments, interventions would focus on providing support for job skills training and education. This involves increasing investments in technical and vocational learning and encouraging stronger partnerships between the private sector and technical colleges to ensure the relevant skills are developed. The second initiative would be to boost market competition to provide more affordable access to goods and to increase welfare. This initiative would focus primarily on removing restrictions to market competition and would require working with the federal government to strengthen market-based competition and anti-monopoly policies. The third and fourth initiatives would provide support to MSMEs to access finance, formalize their businesses and facilitate enterprise growth. For improving access to finance, there are three priority actions. First, work with the federal government on strengthening the regulatory framework for microfinance banks and the development of MSME lending products. Second, work with the federal government to extend the coverage of the credit bureau to include a larger segment of the bankable population. This can be done by developing and implementing strategies to integrate nontraditional credit providers into the credit reporting system. As part of this, financial technology should be leveraged to use alternative data to create credit profiles. This will make many economic actors “visible” and will facilitate access to finance that is also on better terms. The third priority action is promoting financial literacy and digitizing the records of microenterprises to increase their access to finance. Financial management education that is easy to understand should also be provided to entrepreneurs. This would help ensure that the entrepreneurs who are selected for financing are disciplined and that the selection process itself is transparent. This effort would also promote formalization and facilitate enterprise growth. The fourth initiative focuses on providing support for business formalization. Reducing the cost and procedures for registering a business could incentivize firms to formalize and would be a priority action.

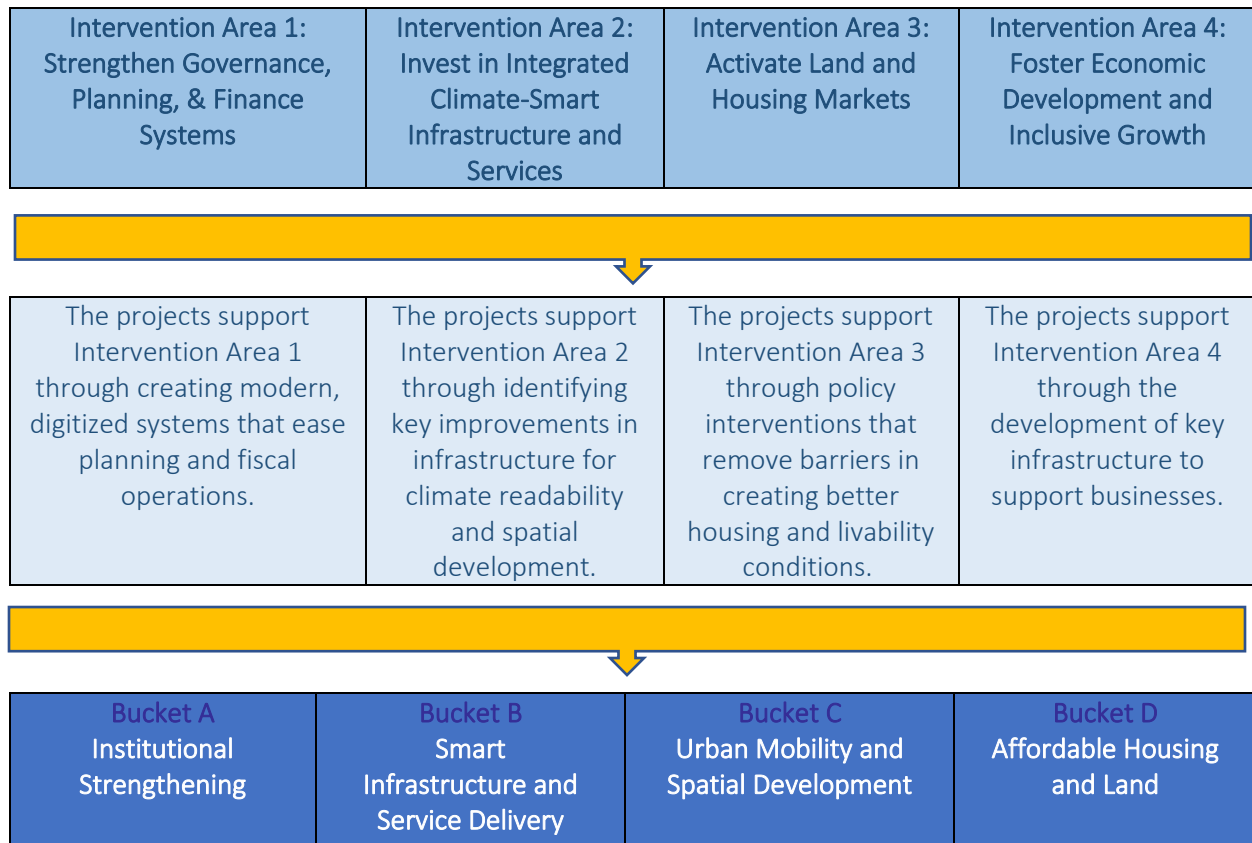
5. Multi-Sectoral Engagement Framework

The Multi-Sectoral Engagement Framework builds on the key findings of the Multi-Sector Analytical Review and serves as a platform for development for Lagos. Based on the analytical review findings along with multiple stakeholder engagement processes involving more than 100 key sector representatives and experts, an integrated, multi-sectoral and strategic engagement framework has been developed to serve as a development platform for Lagos, to assist the LASG in improving its capacity and to provide an operational roadmap to support Lagos's sustainable and resilient growth.

The platform is intended to serve as a tool for LASG to transform the government's various strategies, priorities and plans into actual fundable projects across multiple sectors, bringing projects together under the thematic umbrella of urban resilience and climate change adaptability. A list of proposed projects has been developed to advance the implementation of key government visions and strategies. The projects were selected based on their alignment with the government's objectives, as stated in strategic documents and plans highlighted earlier; on the findings of the analytical review; and on project implementation potential. The framework identifies both medium- to long-term projects as well as short-term projects which can reap quick results, with the overall aim of realizing Lagos's potential for promoting regional and national economic growth and poverty reduction.

The Multi-Sectoral Engagement Framework moves from policy recommendations and actions to implementable projects. The Multi-Sectoral Engagement Framework builds on the key outcomes of the Multi-Sectoral Analytical Review; in particular, the four areas of intervention feed into the formation of the engagement framework's four project buckets. See Figure 1. Together, the areas of intervention complement each other in the quest to transform Lagos and enhance livability, and are supported by a suite of recommendations, initiatives, and priority actions. Under the Multi-Sectoral Engagement Framework, the recommendations under the analytical review are grouped under common themes in four project buckets, each addressing the challenges identified across the sectors per the analytical review findings and stakeholder inputs. The buckets combine interrelated sectors (for example, solid waste and water) and act as umbrellas that highlight the main development projects in select sectors. The buckets contain projects that tie to the four areas of intervention.

Figure 1. From Intervention Areas to Project Buckets



The projects compiled under the Multi-Sectoral Engagement Framework’s four buckets primarily seek to improve the institutional capacity of LASG to deliver public goods and services needed to enhance livability, resilience and economic growth as the megacity continues to rapidly develop. The proposed projects were developed based on the Bank’s technical knowledge and know-how, coupled with extensive meetings with the Lagos government to understand national and local urban needs. The list of projects does not merely identify and combine the common projects among the governmental documents. It extrapolates, expands on, and refines the government’s 400+ initiatives to perform collectively as a comprehensive urban livability and mobility program. The proposed projects within each bucket are summarized as follows:

- **Bucket A, Institutional Strengthening:** This bucket includes projects aimed to streamline coordination and create clarity among various governmental parties involved in delivery of public goods and services along the following sectors/technical areas: i) governance and management; ii) digitization and e-services; iii) capacity building; and iv) development financing.
- **Bucket B, Smart Infrastructure and Service Delivery:** This bucket includes projects targeting infrastructural development, which includes undertaking comprehensive planning exercises for Lagos State for the following sectors/technical areas: i) solid waste management; ii) water; iii) drainage; iv) climate adaptability; and v) energy.
- **Bucket C, Urban Mobility and Spatial Development:** Projects in this bucket strike a balance between improving urban mobility, which includes establishing new multi-modal transport gateway hubs, while integrating mobility with land use planning through developing a visionary

and coherent metropolitan-level spatial plan. The sectors under this bucket are: i) spatial planning and development; and ii) mobility/transport.

- **Bucket D, Affordable Housing and Land:** Projects in this bucket aim to increase access to affordable and developable land and drafting a comprehensive housing policy, thereby covering the housing and land development sectors.

Buckets are ultimately translated into bankable projects that are key to achieving urban livability and mobility visions and targets. Each project bucket consists of baskets of sub-projects, with each basket responds to a key development challenge. Each basket captures those sub-projects with a common focus, and which complement each other. The four buckets consist of a total of 34 baskets and 89 sub-projects across 12 sectors/technical areas. The full set of project buckets and baskets of sub-projects are included in Annex 2. The project buckets and baskets of sub-projects are based on a selection and refinement of initiatives in key government documents including the LSDP 2022-2052, the Lagos Resilience Strategy, the Climate Action Plan, the Medium-Term Sector Strategy 2023-2025, as well as other strategic documents. Development of the engagement framework and proposed projects involved review of the 400+ initiatives introduced in the various government documents to identify synergies. Similar initiatives were bundled along common themes, within a bucket and basket under the Multi-Sectoral Engagement Framework. As the LASG has embarked on a series of visions and strategy documents to address the state's growth needs, it is well positioned to embark on the urban livability and mobility program outlined here. The projects under the engagement framework have been developed with the government's plans in mind as a blueprint that aligns with, and builds on, the ongoing efforts to realize Lagos's development vision for 2052.

The identified projects to be selected from the buckets can support various strategic spatial interventions to improve livability within Lagos. Strategic and spatially-focused interventions include: i) City center revitalization; ii) functional linkages; iii) city-wide intervention; and iv) polycentric development. Projects that support city center revitalization relate to urban regeneration, traffic/parking management, street vendor management, public spaces development, and non-motorized transport facilities management. Projects that support functional linkages focus on coordination mechanisms; inter-city road/transit network; flow of water, natural resources and environmental services; industrial value chains; and disaster risk management. Projects that support city-wide intervention relate to integrated neighbourhood development, social services, the housing finance system, urban mobility development, electricity, water and sanitation, and solid waste management. Lastly, projects that support polycentric development correspond to housing, infrastructure and basic/social services; transit-oriented development (TOD); the public transportation system; and freight transport management.

To achieve the goal of enhancing livability, Lagos needs a two-pronged program combining institutional and system strengthening with infrastructure investments. Successful uptake of investments is dependent on key institutional reforms which act as enabling preconditions. The enabling preconditions that need to precede the implementation of infrastructure investments are institutional and system reforms that tackle the key constraints identified through the multi-sector review. At the state level, six types of reforms are critical to enable investments that enhance livability:

1. **Governance reform:** institutional and technical capacity building to strengthen urban management and service delivery (e.g., cross-sectoral coordination)
2. **Finance system reform:** financial capacity building to support needed capital investments (e.g., technical capacity building to improve OSR generation, strengthen the regulatory framework for

PPPs and tools to incentivize private investment, strengthen management of public investments and expenditure)

3. **Spatial planning reform:** technical capacity building to support: i) metropolitan spatial planning that is disaster and climate-risk informed, ii) improved urban mobility, and iii) coordinated sectoral investments
4. **Land administration reform:** i.e., development of a comprehensive land information system and capacity building to increase efficiency of land tenure and registration processes
5. **Housing reform:** i.e., development of a comprehensive housing policy/strategy, streamlined administrative processes and incentives to stimulate private sector participation
6. **Infrastructure systems reform:** i.e., development of plans and policies that support integrated and climate-smart systems, including a multi-modal urban mobility plan, an integrated solid waste management plan and platform, an integrated water management plan and a comprehensive energy reform policy; and institutional and technical capacity building to implement the systems.

While state-level institutional and system reforms are necessary, interventions need to be spatially targeted and will require a combination of capital investments and local institutional reforms. The development program for Lagos should entail a shift from disparate sectoral initiatives in multiple geographic areas to coordinated multi-sectoral place-based interventions that are targeted in specific areas based on agreed criteria. Strategic spatial targeting of investments increases the likelihood of their implementation and their impact. The place-based approach provides a model for the government to tackle multi-sectoral issues on a case-by-case basis in key urban areas.

Implementation of the Multi-Sectoral Engagement Framework entails focused interventions, in both the short term and medium to longer term. In the short term, examples of key urban areas that are proposed for focused interventions are Apapa and Epe. Short-term projects involving both capital investments and institutional reforms are proposed for each of the areas. For Apapa, a comprehensive green infrastructure program is proposed as a short-term project. The Apapa Model City Plan 2032 underscores the need to build a robust green infrastructure network to address the shortage of green spaces as Apapa's population increases and urban development takes place. Capital investments include rehabilitating six existing parks, street improvements that include tree plantings, and drainage infrastructure improvements. Associated institutional reforms for the green infrastructure program relate to improved parking management, inclusive and sustainable urban design guidelines and legal protections of open space. For Epe, a public space improvement program is proposed for completion in the short term. The Epe Plan, produced in 2017, identifies several public space and road improvements as part of its planned actions. The proposed program will build on these actions to identify a suite of short-term projects to enhance the town's livability. Capital investments include creating a new central open space and a network of pocket parks; street improvements, including constructing 50 km of sidewalks to create a robust pedestrian network; and embankment and drainage infrastructure improvements. Associated institutional reforms include tools to improve parking management, developing inclusive and sustainable urban design guidelines, and developing a road embankment construction and maintenance guide.

In the medium to long term, examples of focused interventions include: i) establishment of new multimodal transport gateway hubs; ii) construction and rehabilitation of critical transportation links and truck transit parks; iii) flood risk & coastal erosion assessment, management, and infrastructure; and iv) the development of a digital platform for inter-agency coordination. Establishment of new multimodal transport gateway hubs would entail construction of various bus terminals across the state in locations such as Agege, Abule-

egba, Ojata, and Iyana Ipaja; and construction of bus shelters in select urban areas. Construction and rehabilitation of critical transportation links and truck transit parks would involve rehabilitating interstate roads and critical corridors selected by the Government, including Lekki-Epe, Gbagada-Apapa; and developing multipurpose truck campuses. Flood risk & coastal erosion assessment, management, and infrastructure interventions would focus on establishing a climate warning observatory and alert protocols for flood and extreme heat events. Lastly, the development of a digital platform for inter-agency coordination would involve the development of a database of infrastructure and utilities that are required to support urban development and management programs.

6. Conclusion

This note provides an overview of the multi-sector analytical review and the development of a multi-sectoral engagement framework, which serves as a platform for development for Lagos. The Lagos Platform for Development (LAPD) is aimed to support the LASG in achieving its urban livability, resilience and mobility goals and advancing implementation of its various vision and strategy documents. Through the multi-phased process, in conjunction with in-depth stakeholder engagement processes, the LAPD provides the government with a tool to strategically and methodically advance the 400+ initiatives introduced in various governments, based on a set of thematic buckets of implementable projects. The implementable projects are focused interventions that can be achieved in either the short term or the medium to long term. The LAPD represents a shift from managing Lagos' development through disparate sectoral initiatives in multiple geographic areas to coordinated multi-sectoral interventions that are targeted in key urban areas based on agreed criteria. Strategic spatially targeted investments increase the likelihood of their implementation and their impact. The LAPD sets Lagos on a path to achieving more sustainable and resilient growth and to becoming a more livable and prosperous megacity.

Annex 1. Summary Matrix of Recommendations from the Multi-Sector Analytical Review

INTERVENTION AREA 1: STRENGTHEN URBAN GOVERNANCE, PLANNING, AND FINANCE SYSTEMS

<p>Support more effective and efficient delivery of services through state and local governance restructuring.</p>	<ul style="list-style-type: none"> • Review of MDAs and their functions to eliminate overlapping mandates. State governance could be streamlined to reduce inefficient staffing and spending. • Support true decentralization of urban governance through strengthening human and technical capacities of LGAs and local council development areas (LCDAs) to perform functions constitutionally delegated to local governments. • Support financial capacity building and fiscal autonomy of LGAs and LCDAs to empower them to deliver on their mandates. This could include strengthening local governments’ organizational and financial capacity by addressing critical human resource gaps and improving OSR generation. 	<p>LASG</p>	<p>Medium & Long Terms</p>
<p>Establish a metropolitan-wide development authority to support coordinated service provision and land development. The agency would operate at the state level and would be mandated with broad planning, coordination, and monitoring functions for urban areas.</p>	<ul style="list-style-type: none"> • Consider establishing an independent development agency responsible for integrated development planning and coordinating major infrastructure investments and service provision at the metropolitan-wide level, or consider upgrading an existing agency (i.e., Lagos State Urban Renewal Agency, or LASURA) to resume such a role. • Involve the agency in streamlining PPPs by working closely with the Office of Public-Private Partnerships (OPPP) to facilitate cooperation between the private sector and MDAs. • Develop a legislative framework to require cooperation between asset owners and operators for coordinated capital investments. This could be through establishing a board that includes high-level representation from each of the state-led planning and development agencies (such as physical planning, transport, water, SWM, etc.), as well as representatives from each local government. 	<p>LASG, in partnership with MPPUD, the Office of Public-Private Partnerships (OPPP), and other state agencies</p>	<p>Medium Term</p>
<p>Develop a multi-sectoral governance framework for effective capital planning.</p>	<ul style="list-style-type: none"> • Develop a policy and procedures manual that will set out the requirements for asset owners and operators to collect data; disclose and share information on their programs and projects, 	<p>Ministry of Economic Planning and Budget (MEPB) (this would be a</p>	<p>Short & Medium Terms</p>

	<p>including location, scope, schedule, and budget; and support collaborative efforts to avoid and resolve conflicts between projects and pursue opportunities to bundle work to reduce construction cost, time, and impact on the public.</p> <ul style="list-style-type: none"> • Produce a recommended hierarchy of committees and working groups that will facilitate joint planning and coordination. • Develop an action log that will serve as an official record of mutual commitments. 	main responsibility of the Lagos development authority once established)	
<p>Establish protocols and procedures for inter-agency coordination. This is necessary to ensure seamless and efficient delivery of complex, multi-year, urban development projects.</p>	<ul style="list-style-type: none"> • Develop a coordination methodology and tools to manage the flow of plans, contractual requirements, and key performance indicators (KPIs) for each asset owner/service provider. • Establish protocols for the number of years prior to construction, during which each type of capital project should be announced by its sponsor, along with the type of information about each capital project that is required for effective coordination and the manner in which each type of project, based on cost and complexity, will navigate through a series of stage-gates. • The coordination methodology will specify the procedures to identify and implement opportunities to bundle projects that can be delivered by a single stakeholder; and to either accelerate or delay projects to ensure that the overall sequence is the most efficient and in best interest of the public. 	MEPB (Lagos development authority once established)	Medium Term
<p>Develop a digital platform for inter-agency coordination. The platform would serve to integrate capital project information and would be made accessible across agencies to guide decision-making on the scope and timing of proposed capital investment projects.</p>	<ul style="list-style-type: none"> • Develop a database of infrastructure and utilities that are required to support urban development and management programs. This task will entail the acquisition of software, staff training across all state agencies on how to use the database, and ensuring the secure management of the system. • Develop a geographical information and management system to employ the database proactively for coordinated program planning, delivery, and lifecycle operations and maintenance. An initial goal could be established to complete geographical information system (GIS) mapping of 50% of urban properties. 	MEPB (Lagos development authority once established)	Medium Term
<p>Strengthen the technical capacity of urban service-sector authorities, LGAs, and LCDAs to improve delivery of mandates.</p>	<ul style="list-style-type: none"> • Support the building of technical capacity for the preparation of investment plans for each urban service sector. This includes collecting data from reliable sources and using evidence-based decision-making for proposed investments. LGAs and LCDAs should be involved in identifying the infrastructure and service gaps within their jurisdictions. 	LASG, in partnership with Ministry of Local Government and Community Affairs (MLGCA); MDAs responsible for	Medium & Long Terms

	<ul style="list-style-type: none"> • Build the human/technical capacity of service-sector authorities for the ongoing operation and maintenance (O&M) of capital investments. • Require O&M costs to be a line item in agency budgets and the state’s budget to ensure dedicated financial resources for O&M. • Support collaboration with non-governmental organizations (NGOs) and local universities for the development of urban management training programs for state and local government officials. • Strengthen the capacity of ministries and/or single-purpose entities to better regulate urban services through performance monitoring and evaluation of service providers. This would entail: i) ensuring the production of reliable data at the local level; ii) establishing performance indicators; and iii) setting up reporting systems to track the performance of service providers and to facilitate the identification of areas to improve performance. • Continue to invest in e-governance technology to improve access to services and to facilitate efficient payment of services. 	regulating urban services, (such as Lagos Metropolitan Area Transport Authority (LAMATA), Lagos Waste Management Authority (LAWMA), any newly established metropolitan-level regulatory body); LGAs; and LCDAs	
Improve performance and enhance accountability and transparency through improved data management.	<ul style="list-style-type: none"> • Establish KPIs/targets and monitoring and evaluation (M&E) systems for each service sector. • Provide technical assistance regarding data collection and reporting at the state and local levels. • Increase transparency by providing access to financial and non-financial data and ensuring compliance with formal open standards. • Publish all available data sets according to open data standards. 	LASG, in partnership with MLGCA, Ministry of Finance (MoF), MEPB, and other MDAs	Medium & Long Terms
Bolster state finance system to support needed investments for sustainability and climate resilience.	<ul style="list-style-type: none"> • Improve OSR generation to support financing capital investments through strengthening tax administration capacity to: i) improve collection of personal income tax from large businesses, high-net-worth individuals (HNWIs), and the informal sector, and ii) update property records to increase the tax base. • Strengthen PPP institutional and regulatory framework and employ land-based financial and regulatory tools to stimulate private investment in urban development projects. • Strengthen the management of public investments and expenditure through technical assistance and capacity support. This includes requiring transparency around expenditures in order to evaluate the efficiency of service delivery and to be able to justify recommendations for the provision and/or maintenance of urban infrastructure and services. 	MoF, MEPB, and Lagos Internal Revenue Service (LIRS)	Medium & Long Terms

	<ul style="list-style-type: none"> Establish performance-based financing for MDAs to improve implementation of sustainable urban projects with climate change considerations. 		
<p>Develop a visionary and coherent metropolitan-level spatial plan that integrates land use, transport and mobility, and infrastructure, and promotes sustainable urban development. To implement the LSDP 2052, it is necessary to transform the strategic plan to a spatial plan.</p>	<ul style="list-style-type: none"> Develop a legislative framework for the preparation of a metropolitan plan in coordination with local master plans and urban renewal plans. Design and implement a participatory planning process. Local communities should be actively engaged throughout the planning and development process to ensure that investments address the needs of residents. 	MPPUD (Lagos development authority once established), in partnership with MEPB	Short & Medium Terms
<p>Increase effectiveness of plans. This entails ensuring that plans are legally supported and operational, and that they address community needs and foster resilient urban growth.</p>	<ul style="list-style-type: none"> Strengthen the status of spatial plans as legally binding documents to improve coordination among key implementation agencies. Reassess the existing spatial planning hierarchy for legal and operational overlaps in terms of jurisdiction boundaries and alignment of spatial strategies, among other aspects, namely the regional, master, model city, and action-area plans, as well as the development guide plans for excised villages. Develop an improved planning and design process for ministerial employees to follow while preparing and reviewing the feasibility of the different spatial planning products planned for the medium-term sector strategy (MTSS). Build the capacity of state planners on integrating disaster-risk management and climate change measures to enable resilient spatial planning practices. Engage local communities meaningfully throughout the planning process, from plan development through implementation. 	LASG, in partnership with MPPUD (Lagos development authority once established)	Short & Medium Terms
<p>Support technical capacity building for agencies involved in planning activities to improve plan implementation; coordination; monitoring; and enforcement.</p>	<ul style="list-style-type: none"> Develop a legislative framework to require cooperation between state agencies and LGAs/LCDAs to prepare, implement, and monitor the progress of local master plans, in coordination with the metropolitan plan and with lower-order plans such as structure and neighborhood plans. Build the technical capacity of the MPPUD and parastatal MDAs that carry out planning-related activities to improve planning practices, 	MPPUD (Lagos development authority once established); Lagos State Physical Planning Permit Authority (LASPPPA); Lagos State Building Control Agency	Short & Medium Terms

	<p>including zoning, building code enforcement, and reviewing construction practices to ensure that they are resistant to disaster risks.</p> <ul style="list-style-type: none"> • Build capacities of LGAs for the preparation of master plans and lower-order plans. • Build technical capacity to facilitate a more efficient and expedient building permit process. This includes streamlining and fully digitizing permitting and payment processes. • Identify other mechanisms to expedite the permitting process beyond the expensive fast-tracking fee that currently exists. • Develop a M&E system that includes developing performance goals and indicators to track progress of permitting activities and to impose accountability. 	(LASBCA); Lagos State Urban Renewal Agency (LASURA); and Ministry of Waterfront Infrastructure Development	
Promote urban regeneration and compact mixed-use development to counter urban sprawl and reduce carbon emissions.	<ul style="list-style-type: none"> • Develop urban master plans that prioritize urban regeneration and the development of compact and multifunctional districts and that serve to limit future urban expansion. • Evaluate the introduction of financial and/or development incentives/tools for developers to foster urban regeneration and compact development. • Identify mechanisms to renovate and repurpose existing buildings in the urban core (such as bringing existing vacant buildings into use). • Use an asset management approach to identify government-owned brownfield sites and to prepare and release them for desired urban development. 	MPPUD (Lagos development authority once established)	Short & Medium Terms
Where urban expansion is necessary, ensure that new development is economically, socially, and environmentally sound.	<ul style="list-style-type: none"> • Conduct pre-feasibility/location studies for the proposed new urban districts under the 2052 LSDP. • Review the new Epe City Master Plan to ensure the cost-effective integration of resilient land-use designs and densities with modern approaches to life-cycle operation and maintenance of infrastructure and utilities. • Review the Badagry City Master Plan and lower-order plans to ensure integration of climate and resilient measures with public and private development strategies and operating practices. • Strengthen the Yaba tech cluster through planning, design, and construction strategies and methods that will enhance the national profile of the cluster along with increasing the availability of real estate for new and growing start-ups. 	MPPUD (Lagos development authority once established)	Short & Medium Terms

	<ul style="list-style-type: none"> For each new urban district, develop a strategy to coordinate urban planning and urban design and infrastructure/utility network expansion and extension to guide socially and environmentally prudent land-use designs and land-management practices, while also fostering conditions that are conducive to public and private investment in these urban areas. 		
Develop urban landscape design guidelines for resilient public spaces.	<ul style="list-style-type: none"> Identify measures to improve resilience in the landscaping of surfaces and open areas. These measures should include decreasing the urban heat island effect; bioremediation landscape solutions; the use of permeable materials to absorb and filtrate water runoff; shade and cooling; and vegetation to cleanse polluted air, among others. 	MPPUD (Lagos development authority once established)	Short & Medium Terms
Develop a greening program to increase provision of green infrastructure and mitigate the urban heat island effect. A system of parks, gardens, and open green spaces should be developed through public and private investment.	<ul style="list-style-type: none"> Pilot the design and construction of new eco-parks that incorporate urban agriculture as a key design aspect. Identify government-owned spaces to develop gardens. Provide developer incentives to build gardens on privately owned spaces. Develop new Standard Operating Procedures (SOPs) for the management and maintenance of open spaces, parks, and gardens. Prepare a guideline document for urban planting that outlines planting schemes for open spaces; shading and cooling in parks and gardens; and planting along areas such as major motorways, neighborhood streets, and sidewalks. Construct standardized interpretation signs at key parks outlining general usage policies for the public. 	MPPUD (Lagos development authority once established), in partnership with Ministry of Environment and Water Resources (MEWR) and Ministry of Energy and Mineral Resources (MEMR)	Short & Medium Terms
Implement Environmental Management Tools	<ul style="list-style-type: none"> Implement tools including Environmental and Social Impact Assessment (ESIA) and Strategic Environmental and Social Assessment (SESA) among others. Identify potential environmental impacts on spatial planning including urbanization impacts on wetlands and biodiversity. 	MPPUD (Lagos development authority once established), in partnership with Ministry of Environment and Water Resources (MEWR) and Ministry of Energy and Mineral Resources (MEMR)	Short & Medium Terms
Restore critical wetland sites to promote biodiversity.	<ul style="list-style-type: none"> Identify critical wetland sites in need of restoration and protection based on their biodiversity value; ecological potential; floodplain type; current land use; and nutrient reduction potential. 	MEWR, in partnership with MPPUD, Ministry of Waterfront	Medium & Long Terms

	<ul style="list-style-type: none"> • Prepare engineering studies for preserving the wetland sites, including baseline surveys and detailed engineering designs for the sites. • Conduct a public environmental awareness campaign to promote biodiversity conservation. • Build capacity of personnel at state institutions in wetland management through an international study tour that enables the learning and exchange of expertise. 	Infrastructure Development	
Develop building material and solar guidelines for new construction.	<ul style="list-style-type: none"> • Propose climate-friendly energy generating options to reduce GHG emissions from building activity in commercial and residential areas. 	MPPUD	Short & Medium Terms
Develop a pilot urban eco-district program. The district-level program would supply energy needs in public buildings through clean-energy resources.	<ul style="list-style-type: none"> • Select three eligible districts to pilot the program and conduct a mapping exercise of public buildings and monthly electric consumption rates in each district. • Develop a clean-energy strategy that calculates the existing district footprint and identifies measures to reduce carbon emissions through clean-energy power sources, specifically in public buildings (such as schools and primary health centers). • Set targets for the conversion of energy sources to solar panels in public schools and primary health centers. • Monitor reductions in carbon emissions and the reliance on non-clean energy resources in each of the districts. 	MPPUD, in partnership with MEMR	Short & Medium Terms

INTERVENTION AREA 2: INVEST IN INTEGRATED AND CLIMATE-SMART INFRASTRUCTURE AND SERVICES

Recommendation 2.1: Improve urban mobility through the development of an enhanced transportation network that is integrated, multi-modal, and supportive of carbon emissions' reduction.			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Develop a multi-modal urban mobility system.	<ul style="list-style-type: none"> • Based on the various existing plans for transport in Lagos, develop a comprehensive multi-modal urban mobility plan that considers the waterway, train, and road networks, as well as public transport and non-motorized modes of transport, as belonging to an integrated system. • Establish new multi-modal transport gateway hubs through: i) conducting pre-feasibility/locational studies to select new hubs; ii) designing hubs to converge BRT lines with interstate buses, and with park-and-ride services for private 	Ministry of Transportation (MoT), in partnership with Ministry of Waterfront Infrastructure	Medium Term

	passengers; and iii) developing a financial model for the construction and operation of identified new hubs through PPPs.	Development, LAMATA, Lagos State Waterways Authority (LASWA), and MPPUD	
Continue efforts to improve mass-transit solutions while investing in smaller capacity modes of urban mobility.	<ul style="list-style-type: none"> Continue investment in mass transit (such as trains and BRT) and smaller-capacity public transport systems (like buses and waterways) Support non-motorized transport infrastructure investments (such as sidewalks, crosswalks, and bike lanes), especially in high-traffic areas, to promote safe pedestrian and cycling activity Pursue a plan to professionalize semi-formal public transport operators. These efforts should build on the experience with Quality Bus System and BRT in Lagos. 	LAMATA, in partnership with MPPUD	Medium & Long Terms
Decarbonize the public transport fleet. This would support GHG emission reductions and contribute to improved air quality.	<ul style="list-style-type: none"> Set aggressive but achievable targets for the conversion of the public bus fleet to electric vehicles. 	LAMATA, in partnership with MEMR	Short & Medium Terms
Recommendation 2.2: Develop an integrated SWM system — waste minimization, collection, separation, and treatment — through comprehensive planning, investment, and capacity building.			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Develop an integrated SWM plan and platform. This will be a state-wide, 50-year plan that integrates waste minimization, collection, separation, and treatment.	<ul style="list-style-type: none"> Update previous projections of waste transfer and landfill operating capacity and lifecycle to account for alternative scenarios of urban development across the state and assumptions about the adoption of waste reduction, diversion, and recycling efforts that may be undertaken; for example, to potentially integrate Extended Producer Responsibility schemes into waste management. Establish operational requirements of the 50-year planning horizon. Identify immediate and long-term waste management priorities. Develop a knowledge platform to provide authorities with operational information on collection routes; GPS tracking and verification of solid waste collection; calculation of collected waste volume; and reporting on infrastructure issues that impact operational efficiency. Develop guidelines for the disposal of special wastes (such as construction/demolition, industrial, and clinical). Develop initiatives for plastic waste management following the World Bank's synthesis report. 	MEWR, LAWMA	Short & Medium Terms

<p>Develop new SWM infrastructure and rehabilitate infrastructure.</p>	<ul style="list-style-type: none"> • Select sites for new landfills and conduct pre-construction studies: environmental studies (such as groundwater protection, infrastructure requirements, and operating practices); financial studies (for example, capital and annual operating budgets, revenue projections, and outsourcing or PPP feasibility); and impact studies (such as construction and operating impact management and noise/odor mitigation). • Prepare preliminary and detailed design, civil engineering studies, and operating manuals for a new landfill gas (LFG) recovery system which will extract LFG and generate energy. • Conduct environmental, financial, and impact studies in support of the construction of transfer stations that aim to increase the amount of solid waste transferred through stations, thereby reducing curbside collection and transfer costs. • Conduct feasibility studies for the rehabilitation of existing dumpsites to improve environmental stewardship of the sites through expanded and integrated LFG operation. 	<p>MEWR, LAWMA</p>	<p>Medium & Long Terms</p>
<p>Improve waste collection and separation.</p>	<ul style="list-style-type: none"> • Institute source separated collection that will incentivize waste generators, waste pickers, and aggregators to separate at source, which will improve material recovery and the quality of the segregated materials. 	<p>LAWMA</p>	<p>Medium Term</p>
<p>Develop replicable pilot municipal residential and public schools recycling and composting programs. The objective of this component is to reduce residential solid waste heading to landfill, create employment opportunities within higher levels of community engagement through residential waste recovery, and reduce carbon emissions from waste.</p>	<ul style="list-style-type: none"> • Select three communities to pilot projects for at-source (curbside) collection/sorting of recyclable waste, composting for organic waste, and waste-to-energy solutions, as appropriate. • Provide trash sorting bins. • Decide on the delivery method for the program (traditional public-sector operations, PPP or outsourcing, or community-led, including engaging “producer companies”) and duration of the pilot program. • Engage an independent body to monitor the program to ensure accurate measurement and comprehensive reporting. • Ensure continuity and replicability of the program for step-by-step expansion of the SWM system beyond pilot areas, through reporting on lessons learned and flexible design. 	<p>MEWR, LAWMA</p>	<p>Short & Medium Terms</p>
<p>Build capacity to improve institutional effectiveness in waste management and to raise public awareness.</p>	<ul style="list-style-type: none"> • Strengthen the technical capabilities of institutions involved in the planning, regulating, and monitoring of the performance of waste services. • Develop public awareness campaigns to change behaviors regarding littering and waste burning and to stress the importance of segregating residential waste at source and partaking in recycling schemes. 	<p>MEWR, LAWMA</p>	<p>Short & Medium Terms</p>

<p>Establish and enforce penalties on open burning of waste and littering.</p>	<ul style="list-style-type: none"> • Enforce a ban on open burning of waste and biomass. • Establish penalties for littering. 		<p>Short & Medium Terms</p>
<p>Recommendation 2.3: Increase access to WSS services and develop an integrated urban water management system that coordinates water supply, sewerage, stormwater drainage, wastewater treatment, SWM, and land use planning.</p>			
<p>INITIATIVE</p>	<p>PRIORITY ACTIONS</p>	<p>LEADING INSTITUTION(S)</p>	<p>Timeframe</p>
<p>Develop a comprehensive and realizable integrated urban water management system with state-wide coverage.</p>	<ul style="list-style-type: none"> • Upgrade the current WSS system using an integrated urban water management approach that coordinates water supply, sewerage, stormwater drainage, wastewater treatment, SWM, and land use planning • Produce a strategy for infrastructure network upgrades and related measures including recommending civil works for: 1) the construction of new water supply infrastructure for unserved/underserved areas; 2) rehabilitation of existing water supply infrastructure to supply water more efficiently; 3) construction of sewage treatment plants; 4) rehabilitation of existing wastewater collection and treatment facilities; and 5) rehabilitation of existing channels and construction of new wastewater channels to convey wastewater from households/residential areas (in a network) to treatment plants. • Coordinate plans between water supply and sewage management bodies. • Consult and decide in a transparent manner on the most appropriate management model for the provision of metro-wide services (such as direct management, delegation of services, and partnership with civil society). This could include restructuring and reorganizing the Lagos Water Corporation to achieve more coordination, accountability, and self-sufficiency. • Develop a public communications program that accompanies system upgrades to ensure that users are guided as to how they can responsibly use and sustain the expanded and extended wastewater systems. 	<p>MEWR, Lagos State Wastewater Management Office (LSWMO)</p>	<p>Short & Medium Terms</p>
<p>Invest in new WSS infrastructure to extend access to unserved/underserved areas and rehabilitate existing infrastructure for more efficient service delivery.</p>	<ul style="list-style-type: none"> • Select sites for new WSS infrastructure development and conduct pre-construction studies: environmental studies; financial studies (capital and annual operating budgets, revenue projections, outsourcing or PPP feasibility); and impact studies (such as construction and operating impact management/mitigation measures). • Prepare preliminary and detailed design and civil engineering studies. • Conduct feasibility studies for the rehabilitation of existing landfills to improve environmental stewardship of the sites through expanded and integrated LFG operation. 	<p>MEWR, LSWMO</p>	<p>Medium & Long Terms</p>

Build financial and technical capacity for improved operations and maintenance of WSS infrastructure.	<ul style="list-style-type: none"> • Include maintenance and operations of WSS infrastructure in the state and local government budgets. • Build human and technical capacity for the ongoing operations and maintenance of WSS infrastructure. 	MEWR, LSWMO	Medium Term
Develop tools and assessments for improved flood risk & coastal erosion management.	<ul style="list-style-type: none"> • Develop a storm water drainage master plan at the state and local levels. • Develop a metro-wide flood risk map and measures for assessing & minimizing coastal erosion. • Develop a sea-level-rise vulnerability assessment. • Ensure continuity and replicability of the program for step-by-step expansion of the SWM system beyond pilot areas, through reporting on lessons learned and flexible design. 	MEWR	Short & Medium Terms
Recommendation 2.4: Increase access to reliable energy through implementing policy reform and supporting renewable sources, such as solar.			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Implement a comprehensive energy reform policy, in coordination with federal regulators.	<ul style="list-style-type: none"> • Implement the recently launched Integrated Resource Plan (Dec. 2021) with the collaboration of electric distribution companies (DisCos) or through standalone initiatives. The plan should include a strategy for prioritizing and sequencing infrastructure network upgrades and related measures, including recommended civil works to increase electric grid supply and support renewal energy. • Consult and decide in a transparent manner on the most appropriate management model for the provision of metro-wide services (such as direct management, delegation of services, or partnership with civil society). 	Ministry of Energy and Mineral Resources (MEMR)	Short & Medium Terms
Improve financing for renewable sources.	<ul style="list-style-type: none"> • Facilitate the development of solar-focused (DPV) financing programs to increase the availability of low-cost financing for developers in the DPV market. • Create a Green Fund (such as from levies on carbon intensive activities or direct budget allocation) to provide low-cost financing for DPV-enabling activities. • Create a one-stop-shop to support DPV developers in navigating issues around accessing current funds and provide training to them to meet the requirements of existing programs. • Create a data platform to provide information such as solar rooftop potential and demand profile of buildings. • Work with existing DPV-focused financing programs to refine funding application review and disbursement processes, thus reducing difficulty in accessing current funds. 	MEMR	Medium Term

	<ul style="list-style-type: none"> • Structure and channel donor-led naira denominated consumer debt financing through commercial banks to provide low-cost financing and improve involvement of local financial institutions. 		
Increase the commercial use of renewable energy.	<ul style="list-style-type: none"> • Set a target for solar DER in government buildings to help send a signal to the market • Initiate deployment of solar DPV in anchor loads, introduce fiscal incentives to attract solar DPV investments. • Partner with marketing companies, distribution companies, and community leaders to raise consumer awareness on the benefits of solar products. • Create a mechanism to aggregate demand from various customer segments to create scale, thereby reducing the acquisition cost of solar products. 	MEWR, LSWMO	Medium Term
Support operations for renewable energy.	<ul style="list-style-type: none"> • Work with the federal government to support simplifying the importation process for DPV developers (such as creating a help desk to provide clarity on custom duty exemptions and installing a fast-track importation process) to reduce importation costs. • Develop a training curriculum and provide standardized training programs focused on key skills required across the value chain to increase the availability of skilled human resources and increase participation in underdeveloped segments (for example, manufacturing and end of life) of the DPV value chain. • Create a publicly available repository of reliable market data to increase the availability of data resources in the market. • Create partnerships with existing agent networks (such as a financial services agents' network) to improve efficiency during payment collections. • Create partnerships to develop payment platforms to minimize overheads for collection and increase efficiency during payment collections. 	MEWR	Short & Medium Terms
Create an enabling environment for renewable energy delivery.	<ul style="list-style-type: none"> • Enforce quality standards for International Electrotechnical Commission/Lighting Global and stricter monitoring of quality of solar products, and introduce e-waste regulation on solar products to reduce the presence of low-quality products in the market. • Launch state-wide awareness campaigns to inform customers on how to identify quality solar systems. • Work with the federal government to support introducing regulations to drive DPV demand (net metering, energy efficiency, appliance labelling, and open access, for example) to contribute to the solar DPV policy framework. 	MEMR	Short & Medium Terms
Develop a pilot urban eco-district program. The district-level program would supply energy needs in public	<ul style="list-style-type: none"> • Select three eligible districts to pilot the program and conduct a mapping exercise of public buildings and monthly electric consumption rates in each district. 	MPPUD, in partnership with MEMR	Short & Medium Terms

buildings through renewable energy resources.	<ul style="list-style-type: none"> • Develop a renewable energy strategy that calculates the existing district footprint and identifies measures to reduce carbon emissions through renewable energy power sources, specifically in public buildings (such as schools and primary health centers). • Set targets for the conversion of energy sources to solar panels in public schools and primary health centers. • Monitor reductions in carbon emissions and the reliance on non-renewable energy resources in each of the districts. 		
---	--	--	--

INTERVENTION AREA 3: ACTIVATE LAND MARKETS TO GROW THE FORMAL HOUSING SECTOR

Recommendation 3.1. Improve land administration through complete digitization of the regularization process and capacity building to increase tenure security; foster better planning and urban development; enable private investment; and support increased property tax revenue generation.			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Develop a comprehensive land information system.	<ul style="list-style-type: none"> • Build the technical capacity to complete cadaster through surveying, GIS mapping, and identification of occupants. • Coordinate activities of the multiple agencies that deal with land activities. • Develop a publicly accessible land information management system that integrates land records and the spatial mapping of statutory and customary land plots. 	Lands Bureau, Office of the State Surveyor General, MPPUD, and government agencies that own land assets	Short & Medium Terms
Strengthen capacity to increase efficiency of land titling and registration processes.	<ul style="list-style-type: none"> • Build technical capacity to facilitate more efficient and expedient registration and regularization processes. This includes streamlining and fully digitizing land titling and registration and payment processes. • Develop new tools to expedite the process to formalize and secure land tenure, such as through a government-sponsored certificate issuance program rather than waiting for residents to initiate the process. • Develop a M&E system that includes developing performance goals and indicators to track the progress of land registration activities and to maintain accountability. 	Lands Bureau, Office of the State Surveyor General	Short & Medium Terms
Enforce a vacant land taxation program to prevent land banking and stimulate housing development.	<ul style="list-style-type: none"> • Build technical capacity to improve enforcement of vacant land taxation program. 	MPPUD, LIRS	Short & Medium Terms
Identify mechanisms to improve property tax collection.	<ul style="list-style-type: none"> • Identify and address administrative bottlenecks for property tax collection. • Strengthen technical capacity of tax collection staff to ensure accountability. 	LASG, in partnership with MoF	Short & Medium Terms

Recommendation 3.2: Increase access to formal, affordable, and climate- and disaster-proofed housing through comprehensive planning; increased private-sector participation; innovative design; housing finance; and slum-upgrading programs.			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Develop a state-level comprehensive housing policy/strategy.	<ul style="list-style-type: none"> Identify both supply-side and demand-side constraints based on sound data (quantitative and qualitative). Evaluate existing housing finance programs for their effectiveness and adjust programs if necessary to improve performance. This would require the establishment of performance indicators and dedicated staff for independent M&E. Identify program gaps and implementable strategies to address the gaps. Coordinate and ensure alignment with the proposed Urban Upgrading and Renewal Policy that includes guidelines for slum upgrading and resettlement. 	MoH	Short & Medium Terms
Incentivize private-sector participation for the development of affordable housing.	<ul style="list-style-type: none"> Streamline and fully automate the land registration process. Streamline and fully automate the approval process for building and construction permits. Explore use of land-based financing tools and developer incentives to build affordable housing (such as density bonuses; conveying land at no cost; payment-in-lieu-of-taxes; and mixed-income development to allow for cross-subsidization). For urban renewal projects, consider cross-subsidy schemes that include the costs of land-tenure regularization and guarantee issuance of Certificates of Occupancy for informal settlers. Institute affordable housing mechanisms into planning and zoning regulations (such as inclusionary zoning). 	Lands Bureau, LASPPPA, MoH, LASURA, MPPUD	Short & Medium Terms
Support innovative building strategies to reduce costs of construction, thereby increasing housing affordability.	<ul style="list-style-type: none"> Build the technical capacity of planning and housing development staff on low-cost building strategies. This could be through knowledge-exchange events and training. Develop local manufacturing capacities to provide input material for construction locally. Develop a public awareness campaign to educate on low-cost homebuilding strategies. 	MoH, MPPUD	Short & Medium Terms
Expand slum-upgrading program to include onsite housing improvements. The feasibility of in-situ slum-upgrading projects should be evaluated over the development of new housing in peri-urban areas.	<ul style="list-style-type: none"> Undertake detailed assessments of housing and living conditions; legality-associated issues (such as land tenure, compliance with building regulations); resident socioeconomic profiles; and community needs beyond housing in target neighborhoods, ensuring genuine community participation. Affordability assessments of public services should be included. 	MoH, in partnership with LASURA, LASBCA, and MPPUD	Medium Term

	<ul style="list-style-type: none"> • Identify the upgrading program scope for each LGA. The scope may range from a minimalistic approach (that only extends access to technical infrastructure while the status of housing units remains illegal) to a comprehensive approach that includes measures to address the underlying causes of illegality. Measures could include tenure provision and microloans to improve livelihood or to upgrade housing units in the program target areas. • Establish local stakeholder platforms to promote public dialogue and broad participation in the design and implementation of the upgrading programs. For this, it will be critical to ensure the participation of residents of the community and community-serving organizations at the earliest stages of program development and throughout program implementation and the M&E process. • Update master and detailed spatial plans to include informal slum neighborhoods. • Identify housing units exposed to unmitigable natural disaster risks and future eviction risks (such as blocking the right-of-way for a future infrastructure/service extension or consolidation, or land to be protected for biodiversity). • Design alternative solutions for those who live in at-risk units that may include, inter alia, disaster risk mitigation measures on-site or relocation support to safe and affordable housing options elsewhere. 		
--	--	--	--

INTERVENTION AREA 4: FOSTER ECONOMIC DEVELOPMENT AND INCLUSIVE GROWTH

Recommendation 4.1: Prioritize infrastructure investments that create jobs and promote economic development			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Support infrastructure investments (power, water supply and sanitation, SWM, transport and ICT)	Identify existing market areas, development corridors and targeted growth areas and conduct needs assessments to identify and prioritize investments needed to enhance market access and connectivity	MEPB	Medium & Long Terms
Recommendation 4.2: Enhance process of doing business			
STRATEGY	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Support further building permit process reform	Build technical capacity to facilitate more efficient and expedient building permit process. This includes streamlining and fully digitizing permitting and payment processes.	LASPPPA	Short & Medium Terms
Improve access to land through land administration reform	Strengthen institutional capacity to increase efficiency of land titling and registration processes	Lands Bureau, Office of the	Medium Term

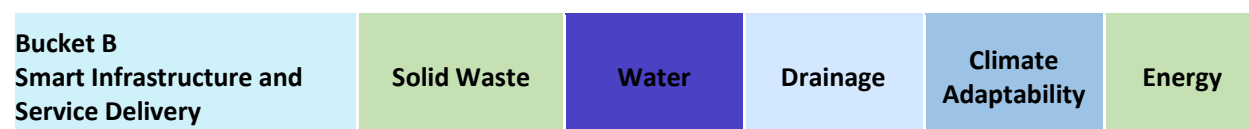
		State Surveyor General	
Recommendation 4.3: Provide support to MSMEs to access finance, formalize their businesses and facilitate enterprise growth			
INITIATIVE	PRIORITY ACTIONS	LEADING INSTITUTION(S)	Timeframe
Provide support for job skills training and education.	Invest more in technical and vocational learning and encourage stronger partnerships between the private sector and technical colleges to ensure the relevant skills are developed.	Ministry of Wealth Creation and Employment; Ministry of Youth and Sports; Ministry of Education	Short & Medium Terms
Remove restrictions to competition.	Work with the federal government to strengthen market-based competition policy and anti-monopoly policy	Ministry of Commerce, Industry & Cooperatives (MCIC); MEPB	Medium Term
Improve access to finance.	<ul style="list-style-type: none"> • Work with the federal government to strengthen regulatory framework for microfinance banks and the development of MSME lending products • Work with the federal government to extend the coverage of the credit bureau to include a larger segment of the bankable population. This can be done by developing and implementing strategies to integrate nontraditional credit providers into the credit reporting system, including by leveraging financial technology to use alternative data to create credit profiles that will make many economic actors “visible” and that will facilitate access to finance and on better terms. • Promote financial literacy and the digitization of records of microenterprises to increase access to finance. Digitizing the records of microenterprises and providing easy-to-understand financial management education would ensure the transparent selection of serious and disciplined entrepreneurs who could be supported with financing. This effort would promote formalization and facilitate enterprise growth. 	MoF; MCIC; Ministry of Wealth Creation and Employment	Medium Term
Provide support for business formalization.	<ul style="list-style-type: none"> • Reducing the cost and procedures for registering a business. This could incentivize firms to formalize. 	MCIC	Short & Medium Terms

Annex 2. Multi-Sectoral Engagement Framework Buckets and Baskets of Sub-Projects



The following baskets have been identified to address the key recommendations for institutional strengthening:

GOVERNANCE AND MANAGEMENT	A.1. Establish a Metropolitan Level Development Agency
	A.2. Revise Scope and Mandates of State & Local Service-Provision Agencies
	A.3. Framework for Effective Capital Planning
	A.4. Establish Protocols and Procedures for Inter-Agency Coordination
DIGITIZATION AND E-SERVICES	A.5. Digital Platform for Inter-Agency Coordination
	A.6. Enhance Internet Connectivity for Sector-Specific Investments
CAPACITY BUILDING	A.7. Capacity Building for Urban Service Delivery and Operation and Maintenance (O&M)
	A.8. Develop Capacity Building in Climate Planning & Design Resilience
DEVELOPMENT FINANCING	A.9. Urban Services & Land Administration
	A.10. Climate Disaster Emergency Fund
	A.11. Develop Financing Instruments for Renewable Energy



The following baskets have been identified to address the key recommendations in infrastructure and service delivery:

SOLID WASTE MANAGEMENT	B.1. Infrastructure Rehabilitation and Development of Landfills
	B.2. Develop a Comprehensive Waste Management Plan & Platform
	B.3. Develop a Pilot Municipal Residential and Public Schools Recycling & Composting Program
	B.4. Capacity Building & Improved Institutional Effectiveness in Waste Management & Public Awareness
WATER	B.5. Develop a State-Wide Comprehensive and Water Supply and Sanitation (WSS) Master Plan
	B.6. Improve Wastewater Collection & Treatment
DRAINAGE	B.7. Flood Risk & Coastal Erosion Assessment, Management, and Infrastructure
CLIMATE ADAPTABILITY	B.8. Reduction of the Built Environment's Urban Heat Island Effect
	B.9. Restoration of Critical Wetland Sites & Coastal Protection
	B.10. Reduce Climate Vulnerability of Social Infrastructure

ENERGY	B.11. Implement a Comprehensive Electricity Reform Policy & Increase Resilience of Power & Communication Networks
	B.12. Develop a Carbon Footprint and Renewable Energy Urban District Program



The following baskets have been identified to address the key recommendations for urban mobility and spatial development:

SPATIAL PLANNING & DEVELOPMENT	C.1. Develop a Comprehensive Metropolitan Spatial Vision & Plan
	C.2. Develop a Resilient Ecosystem of Open Areas, Parks, and Gardens
	C.3. Spatial Mobility Studies
MOBILITY/TRANSPORTATION	C.4. Improve Infrastructure of Waterway Network
	C.5. Establish New Multi-Modal Transport Gateway Hubs
	C.6. Decarbonize Public Transport Fleet
	C.7. Build Truck Transit Parks
	C.8. Investments in Selected Corridors: Construction and Rehabilitation of Critical Transportation Links



The following baskets have been identified to address the key recommendations for the housing sector:

HOUSING*	D.1. Develop a Comprehensive Housing Policy
LAND DEVELOPMENT	D.2. Prepare a Study on Improvement of Land Tenure
	D.3. Regenerate Urban Communities

**Note: A separate housing project is being prepared at the national level, which would highlight physical interventions in the housing market.*