



# STRENGTHENING URBAN TRANSPORT INSTITUTIONS

## A Case Study of Lagos State

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## FOREWORD

This report outlines efforts by the Lagos State Government to address the myriad of public transport and traffic management problems arising from an absence of a coordinated framework for managing transport sector problems in a city of around 15 million inhabitants. With over 100 agencies, ministries and local government departments at local, state and federal government levels that have a role in transport provision and/or services in Lagos, often developing and implementing policies and programs in isolation and without much regard to their effects on the policies or activities of other agencies operating in the city, the end result is poor service delivery for the city residents.

The Lagos Metropolitan Area Transport Authority (LAMATA) was therefore created in 2003 to provide an overall vision and a strategic planning basis for addressing the long neglected transport needs of the metropolis and to coordinate the activities of the different executing agencies to provide a common and consistent basis for implementation. The setting up of LAMATA signaled the State Government's intention to re-orientate the way in which transport services were managed and implemented.

The study outlines LAMATA goals and objectives, its organizational structure, key activities challenges and issues, and lessons learnt. One of the key strengths of the current structure is recognition by LAMATA of the need to engage civil society in validating major infrastructure investments and policy changes. The task of building and sustaining an efficient and effective transportation system in metropolitan Lagos is one that calls for the active involvement of all stakeholders. Therefore, LAMATA's approach is to ensure the involvement of all stakeholders through information, consultation and participation on various consultative, interactive and participatory fora.

A number of cities in Sub-Saharan Africa face similar challenges as they attempt to improve the quality of urban transport services. The LAMATA experience suggests one possible approach and provides a framework to discuss alternative approaches suitable to specific country environment.



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Appropriate Transport Services Co-thematic Leader



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## ACRONYMS

|         |   |
|---------|---|
| CEO     | Chief Executive Officer                               |
| CIPD    | Corporate Planning and Investment Directorate         |
| CLA     | Central Licensing Authority                           |
| DFEL    | Detailed Framework for Establishment of LAMATA        |
| EASA    | Environmental Assessment and Social Assessment        |
| GIS     | Geographic Information System                         |
| IT      | Information technology                                |
| JTB     | Joint Tax Board                                       |
| LAMATA  | Lagos Metropolitan Area Transport Authority           |
| LASEEDS | Lagos State Economic Empowerment Development Strategy |
| LGA     | Local government area                                 |
| LSFSC   | Lagos State Ferry Services Corporation                |
| LSMPT   | Lagos State Ministry of Public Transportation         |
| LSMT    | Lagos State Ministry of Transport                     |
| LSMW    | Lagos State Ministry of Works                         |
| LSMWT   | Lagos State Ministry of Works and Transport           |
| LSPA    | Lagos State Parking Authority                         |
| LSTC    | Lagos State Transport Corporation                     |
| LUTP    | Lagos Urban Transport Project                         |
| LUTP    | Lagos Urban Transport Project                         |
| MD      | Managing Director                                     |
| MVA     | Motor Vehicle Registration                            |
| SOE     | Statement of Expenses                                 |

## **ABSTRACT**

Institutional weaknesses are the source of many observed failures in urban transport in developing countries. Strengthening urban transport institutions often requires legislative, institutional and management changes at the national, state and municipal level to minimize jurisdictional and functional impediments to efficient and effective service delivery. This paper presents recent experience in Lagos, Nigeria where a new institution was created to address the myriad of public transport and traffic management problems arising from an absence of a coordinated framework for managing transport sector problems in a city of around 15 million inhabitants. The paper underscores the challenges and opportunities faced since creating the new institution and the key lessons learnt.

## **EXECUTIVE SUMMARY**

Lagos is the sixth largest city in the world with a population of around 15 million. Transport infrastructure and services remain however at levels that support no more than 6 million people. There is no organized mass transit system in the city and bus services delivered mostly by individual operators, are of poor quality. Congestion is rife in the city and transport costs to users constitute a high proportion of disposable income.

Presently, there are almost 100 agencies, ministries and local government departments at local, state and federal government levels playing a role in transport provision and/or services in Lagos. Often most develop and implement their own policies and programs in isolation and without much regard to their effects on the policies or activities of other agencies operating in the city.

The Lagos Metropolitan Area Transport Authority (LAMATA) was therefore created in 2003 to provide an overall vision and a strategic planning basis for addressing the long neglected transport needs of the metropolis and to coordinate the activities of the different executing agencies to provide a common and consistent basis for implementation.

In addition, LAMATA is the implementing agency for the Lagos Urban Transport Project (LUTP), a project jointly funded by the World Bank and the Lagos State Government. LUTP is designed to support the transport sector policy and strategy of the State Government by improving the state's capacity to manage the transport sector in the Lagos Metropolitan area. It will improve efficiency of the public transport network, such that it contributes measurably to poverty reduction.

## **ORGANIZATIONAL STRUCTURE**

The Edict establishing LAMATA prescribes a 13-member Board of Directors for the Authority. The Board, which is fairly representative of the Authority's stakeholders, comprises representatives of transport operators, transport unions in Lagos State, the organized private



sector, the general public, local government areas, and transport related Lagos State Government agencies. The only full time member is the Managing Director/Chief Executive Officer (MD/CEO), head of the management team.

LAMATA is currently structured into five directorates and four units that report to the MD/CEO. The Directorates are: Corporate and Investment Planning; Finance; Public Transport, Traffic Management; and Roads Maintenance. The Units are: Corporate & Legal Services; Environmental and Social Safeguards; Internal Audit and Procurements. These directorates and units are equipped with modern information technology (IT) and other office hardware, and have access to an adequate library and necessary software, including Geographic Information System (GIS).

## **Activities**

Phase one of the Lagos State Government's transport sector policy and strategy deals with the implementation of the Lagos Urban Transport Project (LUTP). The project has five (5) main components: Capacity Building, Road Network Efficiency, Bus Services Enhancement, Water Transport Promotion, Preparation of Future Phases including a Transport Master Plan for the city. Other current LAMATA activities beyond LUTP include the preparation of a 5 year strategic plan, establishing a Transport Fund (to improve sector cost recovery and provide basis for investment in the sector) and providing strategic input to State/Federal Government policy initiatives.

## **Challenges and Issues**

The setting up of LAMATA signaled the state government's intention to re-orientate the way in which transport services were managed and implemented. LAMATA has consequently faced a number of challenges and taken steps to address risks to the organization.

Resistance to change by agencies, organizations and unions currently involved in transport operations and management has been one of the key challenges. It is taking time for some state agencies and institutions as well as road transport union officials to appreciate the role and functions of LAMATA leading to the risk of duplication and overlap of efforts and delay in introducing necessary sector reforms.

In response LAMATA has, at state level, initiated a forum for regular discussion and exchange of information amongst state agencies involved in transport services and infrastructure provision. These discussions help to build trust and ensure that duplication or overlap of efforts is minimized. The leadership and support provided to LAMATA by the State Governor helps immeasurably towards developing harmonious relationships with state agencies.

Other key challenges faced by LAMATA include the need to introduce discipline and professionalism in the activities of local suppliers, contractors and consultants, the need to manage

the expectations of members of the public in terms of the scope of activities and need for qualified and experienced staff in its core departments.

The need for self-sustainability and reduced dependence on donor funds and political risks associated with changes in administrations constitute other challenges faced by LAMATA.

## **Lessons Learnt**

The key lessons from the LAMATA experience to date can be summarized as follows:

- i. Creation of a metropolitan authority requires commitment from the highest office of government
- ii. Legislative, institutional and management changes are essential before real impact (on transportation issues) can be achieved
- iii. Having a clear vision and mission has provided focus and direction to LAMATA activities
- iv. Experienced and capable staff complimented by good management is essential for success
- v. Source of recurrent funds for administration and management must be clearly identified, secured and sustained



## 1. INTRODUCTION

This paper sets out to give an overview of the Lagos Metropolitan Area Transport Authority (LAMATA) as an institution. It covers the background to the creation of LAMATA (section 2), its objectives and goals (Section 3), the key stakeholders (Section 4), the organizational structure created to deliver its objectives (Section 5), its current activities (Section 6), the key challenges and issues faced by LAMATA (Section 7). The lessons learnt are contained in Section 8.

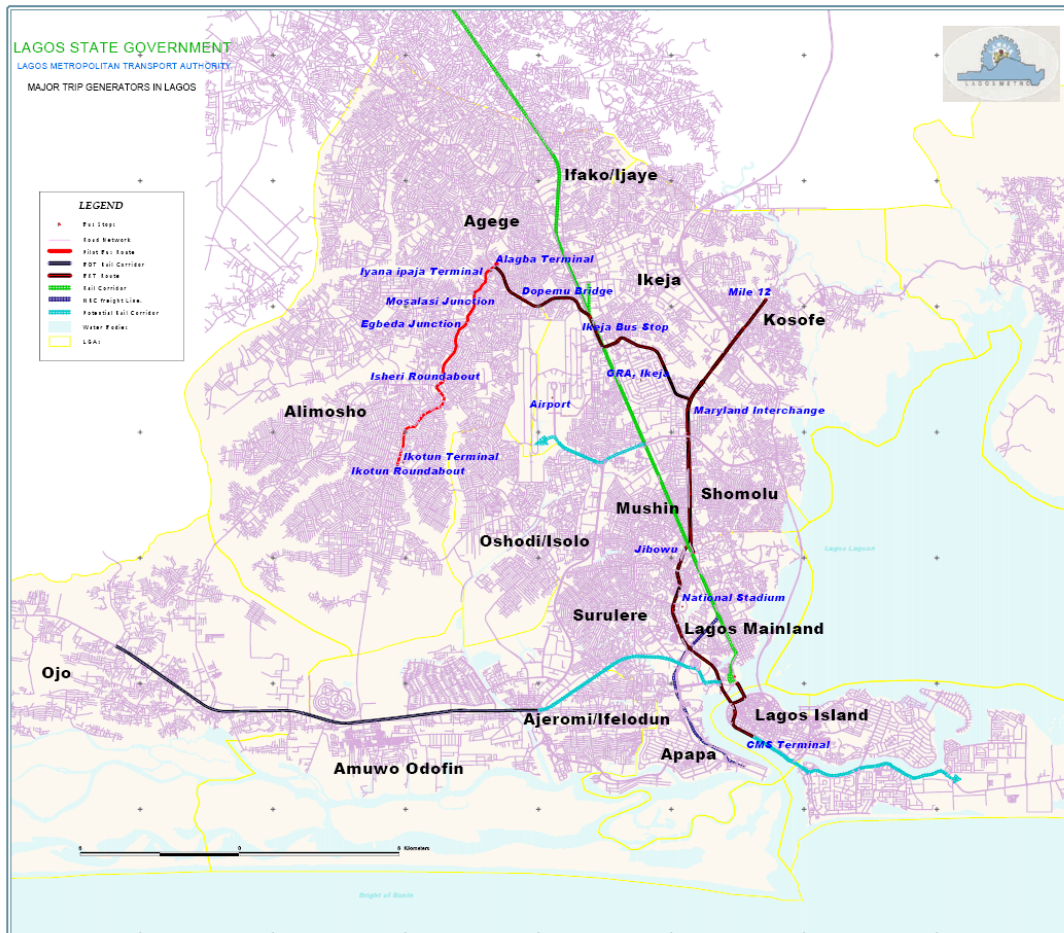
## 2. BACKGROUND

**CITY CONTEXT.** Lagos (Figure 1) is the largest city in Sub-Saharan Africa (SSA) and the sixth largest city in the world, with a population of about 15 million, which is growing at 6 percent per annum. It contains the largest manufacturing sector and provides employment for over 45 percent of the skilled manpower of the country. The commercial sector is similarly dominant with a vibrant local trading tradition. During the last twenty years, level of efficiency and productivity in the metropolitan area have been adversely affected by growing weakness in the physical infrastructure necessary to support the basic needs of the population and the productivity sectors. Transport infrastructure and services remain at levels that supported a population of no more than 6 million some 20 years ago. As an example, the density of the network, about 0.4 km/1000 population, is quite low even by African standards. The provision of bus public transport is highly fragmented with minimal fleet operations, instead private individuals operate many mini buses of poor quality and in undisciplined fashion. Despite the size of the city, there are no organized mass transit systems nor is the inland waterway system exploited to offer alternative non-road based commuter services. Transport costs to users constitute a high proportion of disposable income, and unsurprisingly, congestion is a major issue in the city affecting significantly the costs of production. While Lagos is no longer the state capital, its role as gateway to the country is still unquestioned.

**SECTOR MANAGEMENT.** Between the early 1980s and 1994, responsibility for the management of the transport sector in the Lagos state rested with the Lagos State Ministry of Works and Transport (LSMWT). This period witnessed the establishment of the now defunct publicly-owned passenger transport operator, the Lagos State Transport Corporation (LSTC), the establishment of the Lagos State Ferry Services Corporation (LSFSC), the Lagos State Parking Authority (LSPA) and the Central Licensing Authority (CLA), now transformed into the Department for Motor Vehicle Administration in the Lagos State Ministry of Transport (LSMT). During this period, transport actions in the State were driven by the expansion of the road network and a focus on capital spending rather than sector planning and the development of a holistic approach to resolving urban transport problems. The concern of dealing with the immediate problems led Government to ignore the long term impact of the proposed solutions. Attempts were not made to come to grips with defining policies that relate the value and needs of the urban transport sector to macro-economic considerations. The

interventions were carried out on a project-by-project basis and the transportation system has evolved from the unsystematic accumulation of public projects and policies. This approach has neglected the critical interconnections between parts of the system and between the system and the basic processes of the city.

Figure 1. Lagos Metropolitan Area



The LSMWT was split in 1994 into the Lagos State Ministry of Works (LSMW) and the Lagos State Ministry of Public Transportation (LSMPT). The latter was given the mandate for overall sector policy development and planning and was, later renamed the Lagos State Ministry of Transport (LSMT). LSMW oversees the operation of the Public Works Bureau, which carries out force account works and is mainly responsible for the state road network. The Lagos metropolitan area consists of 18 local government areas (LGA) out of 21 in the state, with their own elected governments. These LGAs have a works department and a traffic management unit responsible for road maintenance and traffic management on local government roads. As a result, more than 100 agencies at local, state or federal government levels had a role in transport provision and/or services in the city. Often most developed and im-

plemented its own policies and programs in isolation, without much regard for the effect of other policies on theirs nor theirs on others.

The key issues affecting the transport sector in Lagos can therefore be summarized as follows:

- Absence of an articulated and adopted policy and strategic framework for the sector;
- Fragmentation of institutional responsibilities between various agencies at the three levels of Government with no coordination framework;
- Absence of a well equipped traffic management institution; inadequately trained transport/traffic engineering staff; involvement of traffic police with traffic management planning because of an absence of professional civilian alternative;
- Inadequately defined public transport planning and regulatory function;
- Absence of standard procedures for the technical and economic evaluation of programs and projects resulting in a strong bias toward capital expenditure rather than making better use of existing investments through better management and maintenance practices (less than 9 percent of the transport budget is spent on recurrent costs of which 97 percent are personnel costs); and
- Involvement of over 100 agencies at local, state and federal government levels in transport provision and/or service delivery in the city. Often most of them developed and implemented their own policies and programs in isolation, without much regard for the effect on other policies.

In response, a number of studies have been conducted over the past decade by the State Government of Lagos to define appropriate solutions. The Lagos Mass Transit and Transport Systems Management Program Study (LMTS) was undertaken in 1992. This work set out to identify actions necessary to address the complex transport situation in Lagos. The study suggested, as one of its recommendations, the creation of Lagos Metropolitan Area Transport Authority (LAMATA) to coordinate transport policies, programs and actions of all agencies at the different tiers of government. It was the recognition that these issues needed to be resolved lest transport in Lagos deteriorated to intolerable levels that ultimately inspired the creation of LAMATA.

LMTS was followed in 1996 by the Detailed Framework for Establishment of LAMATA (DFEL). This work considered the functions and responsibilities of the various transport agencies in Lagos and in this context, proposed the role for LAMATA, including its core objectives, the organizational structure needed to support it in its functions, its resource requirements and its relationships with its stakeholders.

The World Bank Urban Transport Strategy Review, “Cities on the Move” (2002) identifies institutional weakness at the heart of growing transport problems in cities. It states that, “institutional weaknesses are the source of many observed failures in urban transport in developing countries. At the municipal level, institutional structures for transport are weak and inadequately staffed. The need to integrate policies both within the transport sector and be-

tween transport and other aspects of urban development calls for the development of institutions that minimize jurisdictional and functional impediments to policy integration and allow for extension of the role of the private sector within an integrated strategy.” It goes on to add that, “cities that have failed to find acceptable institutional mechanisms have also frequently failed to address the problems of increasing road congestion, environmental deterioration, and the decline of public transport.”

LAMATA has therefore been created to address the major transport issues affecting Lagos. It is founded on the premise of recognizing each major function, assigning responsibility for each function to an identified management unit, resourcing the units adequately to perform the designated tasks and clearly defining the relationship with other organizations.

### **3. LAMATA GOALS AND OBJECTIVES**

Lagos State Government has defined a transport sector strategy with the overall objective to improve the provision of transport services in the Lagos metropolitan area, in particular for the public transport users and the poor. One of the central pillars of the strategy is to create organizational and institutional capacity for the planning and management of the State’s transport system. The creation of LAMATA was a necessary action towards implementing this strategy.

LAMATA is a corporate body with an independent board responsible for formulation, coordination and implementation of urban transport policies and programs in the Lagos metropolitan area. It was created by an act signed into law on January 13, 2002 and formally launched on December 2, 2003. The Authority has the overall responsibility for transport planning and coordination in the Lagos metropolitan area with the primary mandate to play a lead role in carrying out transport planning and assist in transport policy formulation and coordination of major operational and investment decisions and implementation. LAMATA provides an overall vision and a strategic planning basis to address long neglected transport needs of the metropolis and coordinate activities of the different executing agencies to provide a common and consistent basis for implementation. In addition, the specific functions identified are: (a) ensure the physical traffic serviceability of declared roads network; (b) undertake traffic management activities towards ensuring efficient and effective movement of traffic in metropolitan Lagos; (c) plan and co-ordinate the supply of adequate and effective public transport within metropolitan Lagos; and (d) make policy recommendations to the Governor including mechanisms for their implementation.

The law grants LAMATA several powers to facilitate the discharge of its statutory functions, including the power to levy and collect user charges in connection with the provision of its services and to collect any other tariffs, fees and road taxes as may be authorized by the Governor.

In addition to the above, LAMATA is the implementing agency for the Lagos Urban Transport Project (LUTP), a project jointly funded by the World Bank and the Lagos State Gov-

ernment. LUTP is designed to support the transport sector policy and strategy of the State Government by improving the state's capacity to manage the transport sector in the Lagos Metropolitan area. It will allow the efficiency of the public transport network to be enhanced, such that it contributes measurably to poverty reduction.

LAMATA has since set out its Vision and Mission as follows:

**Vision:** To be a foremost facilitator of a sustainable and effective integrated transport system (in Lagos).

**Mission:** To transform the Lagos State transport system by facilitating an enabling environment through committed and credible professionals working as a team, employing transparent methods thereby adding value to the quality of life.

#### 4. STAKEHOLDERS

The LAMATA Act recognizes the need to engage civil society in validating major infrastructure investments and policy changes. The task of building and sustaining an efficient and effective transportation system in metropolitan Lagos is one that calls for the active involvement of all stakeholders. Therefore, LAMATA's approach is to ensure the involvement of all stakeholders through information, consultation and participation on various consultative, interactive and participatory fora.

LAMATA faces the great challenge of having a great multiplicity of external stakeholders involved in its activities, both in number and diversity. They start from the State Governor who has the prime responsibility for all development efforts in his State, including transportation, to the Development Partners, civil servants at state and federal government levels, local government chairpersons and councilors, private sector operators, as well as the owners, drivers, conductors and users of the *danfo* (minibuses), and *molue* (midibuses) and the majority of the over 15 million inhabitants of the Lagos metropolis. Indeed the conduct of LAMATA activities recognizes the increasing importance of equality of access to transport services amongst the various categories of road users especially people with disabilities, women and children.

The identified stakeholders comprise some 100 general contact groups classified into 10 major categories – Internal, Government, Development Partners, Mass Media professionals and institutions, Civil Society, Transport Associations, Police, Organized Private Sector, General public and UN/Donor/Bilateral Agencies.

To date there is an improving working relationship and collaboration with the State Ministries of Transportation, Works and Infrastructure, Finance, Physical Planning and Urban Development, Sports and Social Development, legislators in the State House of Assembly among others. At the Federal level, there is support from the Federal Ministries of Transport,



Works, the Nigerian Railway Corporation (NRC), and Bureau of Public Enterprises (BPE) (Annex 1, Table 1 lists government agencies involved in transportation in Lagos).

## 5. ORGANISATIONAL STRUCTURE

The Edict establishing LAMATA prescribes a 13 member Board of Directors for the Authority. The Board, which is fairly representative of the Authority's stakeholders, comprises representatives of transport operators, transport unions in Lagos State, the organized private sector, the general public, local government areas, and transport related Lagos State Government agencies. The only full time member is the Managing Director/Chief Executive Officer (MD/CEO), head of the management team.

LAMATA is currently structured into five directorates and four units that report to the MD/CEO. The Directorates are: Corporate and Investment Planning; Finance; Public Transport, Traffic Management; and Roads Maintenance. The Units are: Corporate & Legal Services, Environmental & Social Safeguards, Internal Audit and Procurements. These directorates and units are equipped with modern IT and other office hardware, and have access to an adequate library and necessary software, including GIS.

LAMATA staff remuneration and retention packages are pitched at private sector levels so as to attract, retain and motivate high caliber staff that can assist LAMATA meet the challenge of transforming the transportation in Lagos. The organization has also prepared and is implementing several policies designed to assure effective operations. These include employee handbook, a financial management system manual, a procurement procedures manual, IT policy, staff training needs assessment and plan and a LAMATA policies and procedures manual.

The activities of the various directorates and units are summarized as follows:

**Corporate Planning and Investment Directorate (CIPD):** CIPD staff prepare the Five-Year Corporate and Investment Plan; review and guide the implementation of the organization's Plans and Projects; liaise with the Director of Finance (DoF) in the preparation of the Annual Budget and Annual Report of the organization; Coordinate the compilation and timely review of appropriate methods and procedure; Advise on strategic and tactical developments in the business environment; Establish strategies and plans for Staff development and motivation. CIPD also oversees the human resources, office administration and research and development functions.

**Public Transport:** The public transport directorates' responsibilities include: planning and executing all activities associated with the LUTP components for bus enhancements, water services promotion, rail and mass transit development and leading transport master planning activities and fronting LAMATA's participation in sector management issues.

**Roads Department:** Their function is to improve the physical traffic serviceability of the Declared Road Network (a network of strategic roads, mainly major bus routes, in Lagos metropolis) by tackling their militating factors such as their poor quality in terms of width, surface and drainage. The department manages a comprehensive program of routine, recurrent, periodic and rehabilitation maintenance activities.

**Traffic Management:** This directorate oversees the implementation of all traffic system measures associated with road maintenance activities, plans and procures the design and implementation of traffic engineering and junction improvements needed to reduce congestion, improve network efficiency and improve traffic safety. The directorate also oversees the planning and implementation of facilities for intermediate modes of transport.

**Procurement:** The procurement unit plans and manages the procurement of all goods, services and works essential to the successful operations of LAMATA. The activities of the unit are guided by the published World Bank procurement guidelines.

**Finance:** The Finance department has an overall responsibility for day-to-day financial management of the Authority. Specifically, the department is responsible for:

- (a) preparing annual project budget, monthly statement of accounts reconciliation statement, and quarterly statement of expenses (SOE), withdrawal schedules, quarterly financial monitoring reports, and annual financial statements;
- (b) ensuring that the project financial management arrangements are acceptable to the Government and IDA; and
- (c) forwarding financial reports and statements to the State Ministry of Finance and IDA on a regular and consistent basis.

**Internal Audit:** The Internal Audit Unit is responsible for evaluating the reliability of the accounting systems, data, and financial reports. The unit carries out periodic reviews of project activities, records, accounts and systems; ensures effectiveness of financial and non-financial matters, as well as compliance with control mechanisms.

**Corporate and Legal Unit:** The Corporate and Legal Unit is responsible for effective coordination and collaboration with all the stakeholders in the public transportation sector. It is also responsible for interpretation of Project Documentation that guide LAMATA which includes the Project Appraisal Document, the Development Credit Agreement, the Lagos Project Agreement, the LAMATA Project Agreement, the Loan Agreement and the LAMATA Law. The unit is also involved in procurement matters, which include review of contracts, review and verification of the security documentation submitted by the contractors/consultants, in collaboration with the various departments/units on legal issues relating to LAMATA and records keeping.

**Environmental & Social Safeguards Unit:** The unit is responsible for safeguards assessment, with a particular emphasis on pedestrian safety, social and environmental impacts. The unit

ensures that all transport investments on the network managed by LAMATA conform to appropriate environmental and safety standards. The Environmental Management Framework and the resettlement policy framework guide all works carried out. The unit is also preparing an Environmental Assessment and Social Assessment Framework (EASA) for the sector.

## 6. ACTIVITIES

Phase one of the Lagos State Government's transport sector policy and strategy is the Lagos Urban Transport Project (LUTP). The project has five (5) main components: Capacity Building, Road Network Efficiency, Bus Services Enhancement, Water Transport Promotion, Preparation of Future Phases including a Transport Master Plan for the city. Details of the various components are presented in Table 1 (see Annex 1). Other current LAMATA activities beyond LUTP are as follows:

**Institutional capacity.** After initial delays in recruiting senior management staff, significant progress has been made by LAMATA towards becoming an efficient institution. Strategic plans are being prepared, road maintenance and rehabilitation works are being supervised efficiently, monitoring studies are being conducted and transport needs of metropolitan Lagos are being addressed in a comprehensive fashion taking account of inter-modal complementarity. Key management positions are filled and remaining gaps have been filled by long term technical assistance; systems and procedures are formalized into manual of procedures; and financial, procurement, social and environmental management capacity is developed. LAMATA focused initially on the works for maintenance and rehabilitation of the roads of the Declared Network, and it has been able to show a significant improvement in the quality of the procurement and the planning of the works. Arrangements for technical and financial audits are in place and instrumental in informing LAMATA of the efficiency and effectiveness in the use of resources.

**Preparation of strategic plan.** LAMATA is preparing a 5-year (2006 - 2010) plan that will facilitate the realization of the vision and mission stated above. The plan will provide strategic direction to LAMATA and enable the preparation of 3-year rolling plans that can then be translated into one year corporate and investment budgets.

**Public transport network efficiency.** The bus service enhancement component is an essential activity of LAMATA. Public transport interacts with many other areas of public concern, particularly road infrastructure, traffic management, road safety and the environment. Often, each of the functional areas is managed by a different agency, with little or no interface. However, there are areas of overlap and possible conflicts between the many agencies involved. LAMATA acts as an overarching coordinating body, with well defined functions and mandate and managed by a professional staff, to make decisions taking into account the total needs of the city. A bus franchise regulation has been signed into law by the Governor of Lagos State, which operationalizes the franchise power vested in LAMATA by its enabling legislation. This is the first step towards organizing and disciplining the private sector bus supply market. LAMATA expects to implement franchise arrangements on a pilot corridor by De-

ember 2006. The specific focus is on: (a) formation of private sector associations on a route basis; (b) setting up of a transparent competitive mechanism for the allocation of franchising; and (c) establishment of incentive mechanisms to improve the quality of bus services and of the bus fleet.

**Sustainability of transport investments.** Financial sustainability for LAMATA operations is ensured by establishing a Transport Fund, funded with direct revenue sources (user charges) and allocations from State/ central Government. LAMATA has presented a proposal for increase in road user charge (registration fee, license fee) to the Joint Tax Board. To improve the level of cost recovery, evaluation of the Motor Vehicle Registration (MVA) and other agencies is currently being conducted. It is expected that this initiative will generate the equivalent of US\$ 5 million per year towards the dedicated Transport Fund beginning in 2006.

Over the past three years, LAMATA succeeded in contributing to increased awareness in the need for traffic management, transparency and discipline in procurement processes and involving the users in decision-making processes. LAMATA has started, for the first time in the country, the design and execution of maintenance work with participation of the private sector through awarding contracts to the local consultants and contractors. Experience has shown that the output of maintenance works through contracts is more efficient, cost effective and better in quality compared with the traditional methods of using force account procedures. LAMATA activities are now widely recognized by the Government, participating communities and development partners as an efficient and high-performing initiative that has significantly contributed to the city's poverty reduction goals, notably by improving accessibility in low-income areas, involving communities in identification of priority programs and improving sector management.

**LASEEDS:** LAMATA contributed significantly to the formation of the Lagos State Economic Empowerment Development Strategy (LASEEDS) document as relates to transport policy.

**Lagos Mega City Project:** The Federal Government set up a Task Force to review the Lagos Master Plan in view of the growth of the Lagos metropolitan area beyond the Lagos State boundary into the neighboring state, Ogun State. The task force is recommending that LAMATA evolves into a Transport Authority across the Mega City reporting through a board to a Presidential Council consisting of the President (of Nigeria) and the Governors of Lagos and Ogun States.

**Light Rail Transit:** Lagos State Government has entered into a BOT agreement with a private company to deliver, operate and manage a Light Rail Transit (LRT) system between Ojo and Mike 2 to the southwest of the city. LAMATA is overseeing the project on behalf of the State Government.

## 7. CHALLENGES AND ISSUES

The setting up of LAMATA signaled the State Government's intention to re-orientate the way in which transport services were managed and implemented. LAMATA has consequently faced a number of challenges and taken steps to address risks to the organization.

**Federal Government:** A key issue faced by LAMATA concerns the relationship of the Federal Government with the State Government where, as a consequence of differences in political opinion, necessary cooperation has been lacking. In particular LAMATA, seen by the Federal Government as a state agency, has been unable to assume (maintenance) control of federal roads that are identified in the LAMATA Act as being part of its Declared Road Network. The State has also not been able to benefit from additional (federal) budgetary allocations that recognize the need to support a city which was until recently the capital of Nigeria.

Nevertheless, LAMATA has continued in its effort to build a strong relationship with the Federal Government by actively participating in its transport initiatives and thus demonstrating the desire to support its objectives. As an example, LAMATA responds positively to requests for comments on legislation sponsored by the Federal Government to the extent that LAMATA is now regarded as a professionally run institution devoid of political influence.

**Other Government Agencies:** Many of the observed shortcomings in the transportation system in Lagos stem from the sector's management weaknesses. These include: (i) the absence of a well articulated and adopted policy and strategic framework for the sector; (ii) fragmentation and duplication of institutional responsibilities among various agencies at the three levels of government; (iii) lack of inter-agency coordination among the various bodies; and (iv) absence of standard procedures for the technical and economic evaluation of programs and projects.

Resistance to change by agencies and organizations currently involved in transport operations and management has therefore been one of the key challenges LAMATA is contending with. As an example, it is taking some time for some agencies and institutions to appreciate the role and functions of LAMATA leading to the risk of duplication and overlap of efforts.

A particular issue concerns the role of the State Ministry of Transport vis-à-vis LAMATA. The LAMATA Act sets out its mandate, principally to be an implementing agency (using consultants and contractors) whilst the Ministry retains primary responsibility for policy formulation and for ensuring appropriate funding for the transport sector in the State. However, prior to the formation of LAMATA, the Ministry undertook 'direct labor' repairs and maintenance activities, currently regarded as a core activity of the Ministry.

In response LAMATA has, at state level, initiated a forum for regular discussion and exchange of information amongst state agencies involved in transport services and infrastructure provision (called inter-ministerial meetings). Further to this the key operational departments—roads, traffic management and public transport, hold regular bilateral discussion

with other agencies directly involved in their activities. These discussions help to build trust and ensure that duplication or overlap of efforts is minimized. The leadership and support provided to LAMATA by the State Governor helps immeasurably towards developing harmonious relationships with state agencies.

**Transport Operators:** The LAMATA approach to transport services provision places emphasis on satisfying passenger requirements whilst recognizing the need to accommodate the interests of operators (and their trade unions) and regulatory authorities. However, transport operators in Lagos are well organized and led by iconic leaders, most of whom have a vested interest in the continuation of current methods for providing transport services, even if passengers continue to receive poor and unsafe services. Resolving this difference in approach and introducing the necessary reform in the sector is a major issue confronting LAMATA.

Again LAMATA has approached this issue by entering into frequent dialogue with representatives of current operators. No effort is being spared in the organization's determination to educate operators on the benefits of reform whilst making clear the role that current operators can play in the emerging sector. In pursuing this approach, LAMATA has enlisted the support of other agencies in the State with influence on the activities of operators. LAMATA is also about to embark on a media campaign designed to sensitize bus users on the benefits of reform, for it is believed that passengers themselves can agitate for a shift in the attitude and behavior of operators.

**Members of the Public and Other Stakeholders:** Since inception LAMATA has maintained in excess of 250 km of roads to a very high standard and at comparatively lower costs, raising high expectations amongst stakeholders, especially members of the public and the various local governments. It is expected that LAMATA can fund and manage road maintenance activities on virtually all roads in the State. Clearly, LAMATA activities are restricted to the Declared Road Network but also by available resources, which necessitate a prioritization of investment.

Efforts are underway to 'brand' the LAMATA network so that it is clear to all stakeholders which roads and what type of roads are managed by LAMATA. LAMATA is also procuring a Pavement Management System that would guide the prioritization of road maintenance activities.

**Suppliers, Contractors and Consultants:** Reversing the pervading culture whereby suppliers, contractors and consultants pay little attention to the quality, timeliness and costs of services provided has been a key challenge faced by LAMATA. In response, its Terms of References and product specifications are designed to be clear and precise, leaving little room for ambiguity. LAMATA expectations are made clear and a rigorous selection procedure is followed to ensure that suppliers that are best able to deliver are appointed. Once appointed, further discussions are initiated to reinforce these expectations and make clear that performance guarantees entered into will be exercised, if need be.

**LAMATA Staff:** To meet its objectives and goals, LAMATA needs to have qualified and experienced staff in departments, such as traffic management, for which there is a limited supply of suitable qualified professionals. LAMATA has therefore taken innovative steps to recruiting staff, widening the net to beyond Nigeria so has to engage staff with experience abroad. Recruitment is also sometimes undertaken via agencies avoiding situations whereby pressure is placed on LAMATA to employ favored candidates. In addition, LAMATA has undertaken rigorous staff training needs assessment identifying the types of training needed by staff to support them in their functions. Frequently staff is engaged in study tours within and outside Nigeria to expose them to solutions to issues and problems that can be applied in Lagos.

**Sustainability/Funding:** LAMATA activities are currently mainly funded by the World Bank. The current credit will be exhausted by 2008 after which LAMATA must ensure self-sustainability. A Transport Fund that will as from 2008 fully finance the operations of LAMATA has been set up with the backing of the State Government. Currently, government counterpart funds and a proportion of transport user charges are channeled into the Transport Fund. The fund is increasing annually and the expectation is that by 2008, it would be at a level sufficient to support key LAMATA activities.

Over and beyond the above sources of funds, LAMATA is working with federal and State agencies to increase road users charges to levels that reflect price inflation since current tariffs were set 3 years ago. The increases so generated are to be apportioned to the 3 main implementing agencies in the state, Ministry of Works, Ministry of Transport and LAMATA on the basis of an agreed formula.

This effort has required that LAMATA staff consult and take the case for change to State representatives at the national Joint Tax Board (JTB) where a decision will be taken (each of the 36 States is represented at the JTB by the Chairman of the State Board of Internal Revenue).

**Political Risks:** The policy that led to the creation of LAMATA was developed and implemented within the term of the current political leadership in the State. Changes in leadership and the possibility of change in direction after planned elections next year cannot be ruled out.

To negate any potential impact on LAMATA, steps are being undertaken to institutionalize the Authority. As an example, the public is regularly made aware of the successes achieved by LAMATA (through press and media) and educated on the effort necessary to achieve those successes. LAMATA believes that by continuing to be successful and thereby gaining public recognition (of its success) its future, whatever the political environment, will be assured.

## 8. LESSONS LEARNT

The lessons that may be learnt from the LAMATA experience include the following:

1. Creation of a metropolitan transport authority requires a commitment from the highest office of Government and a champion to further the cause of good management.
2. The reorganization of urban transport service planning and delivery is a long-term process. It often requires legislative, institutional and management changes and a period of internalization and adjustment within organizations before the real impact of the new structures can be observed. The justification for LAMATA was first proposed over ten years back and even now, after two years of operation, it is a nascent organization, requiring continued support and encouragement. Unrealistic timetables that do not allow for political processes, stakeholder consultations and the need to overcome organizational inertia are likely to be frustrating.
3. Structural change is only a means to an end, to improve delivery of urban transport services and infrastructure in the most effective and efficient manner. Creating an institution by itself is not enough and must be supported by good management. This requires attracting the best skills and experience, creation of commercial culture and incentive structure and mechanisms for accountability. LAMATA has been operational for just over two years and in this period has put in place an institution staffed with motivated professionals who have demonstrated determination to transform transportation in Lagos by achieving positive public recognition for its activities thus far.
4. It is important to provide a financial basis for a planning authority to carry its weight with other Ministries or agencies. The source of funds must be clearly identified and secured.
5. In two years LAMATA has been able to position itself as the transport authority for the State, the first port of call when transport matters or decisions affecting the State are to be made. It has succeeded in improving the condition of more than 250 km of public transport routes. Traffic management measures are now a regular technique for improving network efficiency. Several bus and water schemes are at near implementation stage. Overall the institution has received positive feedback from members of the public, road users and key stakeholders.
6. The organization has articulated its vision, mission and objectives and goals and identified its major challenges and critical success factors and has put in place measures to address them in the coming years. It has developed a 5-year plan and recognized the important need for self-sustainability particularly when World Bank credit becomes exhausted in two years time.
7. The presentation of factual information borne out of well conducted research has been helpful in persuading officials and politicians of the benefits of LAMATA activities and contribution.



8. There is likely to be considerable resistance to change by agencies and organizations benefiting from the current arrangements. For example, transport operators in Lagos are well organized and led by iconic leaders, most of whom have a vested interest in the continuation of current methods for providing transport services, even if passengers continue to receive poor and unsafe services. The key challenge is to initiate a broad based discussion forum, for regular discussion and exchange of information amongst state agencies and other stakeholders involved in transport services and infrastructure provision. LAMATA has embarked on a publicity campaign designed to sensitize bus users on the benefits of reform for it is believed that passengers themselves can create conditions for a shift in the attitude and behavior of operators. It is equally important to keep the current operators involved in discussions and not isolate them.

Table 1: Agencies with Transport Responsibilities in Lagos

| Tier                                     | Agency                                  |
|--|---|
| Federal                                  | Federal Ministry of Transport           |
|  | Federal Ministry of Works & Housing     |
|  | National Inland Waterways Authority     |
|  | Nigeria Railway Corporation             |
|  | National Maritime Authority             |
|  | Nigeria Ports Authority                 |
|  | Nigeria Airports Authority              |
|  | Federal Ministry of Finance             |
|  | Nigeria Police Force                    |
|  | Federal Road Safety Corps               |
|  | Federal Road Maintenance Agency         |
|  | Federal Urban Mass Transit              |
|  | Bureau of Public Enterprises            |
|  | State                                   |
| Ministry of Works and Infrastructure     |   |
| Ministry of Physical and Urban Planning  |   |
| Ministry of Rural Development            |   |
| Lagos State Traffic Management Authority |   |
| Ministry of Environment                  |   |
| KAI                                      |   |
| Local Government                         | 20 Local Governments                    |
|  | Nigeria Union of Road Transport Workers |
|  | Road Transport Employers Association    |